

PAY ADMINISTRATION

1. REASON FOR ISSUE: To revise Department of Veterans Affairs (VA) procedures related to the Locality Pay System.

2. SUMMARY OF CONTENTS/MAJOR CHANGES: This handbook contains mandatory VA procedures on pay administration. The pages in this issuance replace part X of VA Handbook 5007 in its entirety. These changes will be incorporated into the electronic version of VA Handbook 5007 that is maintained on the [Office of Human Resources Management website](#). Significant changes include:

- a. Adequacy guidelines for use of third-party salary surveys.
- b. Instructions for setting beginning rates of pay based on different types of salary data.
- c. Job-matching criteria to assist data collectors in identifying comparable positions.
- d. Procedures for the Under Secretary for Health authority to modify local decisions.
- e. Criteria for applying mandatory survey requirement.

3. RESPONSIBLE OFFICE: The Human Resources Management Programs and Policies Service (051), Office of the Deputy Assistant Secretary for Human Resources Management.

4. RELATED DIRECTIVES: VA Directive 5007, "Pay Administration."

5. RESCISSIONS: VA Handbook 5007, Part X, "Locality Pay System for Title 38 Nurses," dated April 15, 2002.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
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Distribution: RPC 1253
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PAY ADMINISTRATION

PART X. LOCALITY PAY SYSTEM FOR TITLE 38 NURSES

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PART X. LOCALITY PAY SYSTEM FOR TITLE 38 NURSES**CHAPTER 1. GENERAL PROVISIONS**

1. PURPOSE. This chapter contains mandatory procedures for administering the Locality Pay System (LPS) for full-time, part-time, and intermittent registered nurses (RNs) and nurse anesthetists appointed under chapter 74, Title 38, United States Code (U.S.C.). LPS provides VA health care facilities a mechanism for adjusting salary rates in order to be competitive in the recruitment and retention of RNs and nurse anesthetists.

2. LPS STRUCTURE**a. Five-Grade Pay System**

(1) Under LPS there are five grades, Nurse I through Nurse V. Certain grades contain higher levels, as follows:

(a) **Registered Nurse.** Nurse I contains three levels. Nurse II, III, IV and V are not divided into levels.

(b) **Nurse Anesthetist.** Nurse I contains two levels. Nurse II through V are not divided into levels.

(2) Each grade has a maximum of 26 steps and a step rate increment of 3 percent of the beginning rate for the grade. Because of the limit on the width of the rate range in subparagraph 2b(1) [below], field facilities may only use 12 steps in each grade unless a wider rate range is approved under that paragraph. The dollar value of each step increment will be the same.

b. Basic Pay Ranges

(1) The maximum authorized range of basic pay rates for any grade is 133 percent of the minimum rate, unless:

(a) Upon conversion to the five-grade LPS schedule, the facility director approved an extension of the rate range for a covered occupation; or

(b) The facility Director determines a larger rate range, not to exceed 175 percent, is necessary to recruit or retain a sufficient number of well-qualified health care personnel at Nurse I (see chapter 4); or

(c) The appropriate Veterans Integrated Service Network (VISN) director determines a larger rate range, not to exceed 175 percent, is necessary to recruit or retain a sufficient number of well-qualified health care personnel at Nurse II through Nurse V (see chapter 4).

(2) Rates of basic pay may not exceed Level V of the Executive Schedule.

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3. LPS ADJUSTMENTS

a. **General.** Title 38 U.S.C. 7451(d) requires facility Directors to increase rates of basic pay coincident with General Schedule (GS) adjustments. Facility Directors are further authorized to adjust rates of pay for covered positions to amounts comparable to corresponding non-VA positions in the local labor market area (LLMA) when deemed necessary.

b. **Regular Adjustments.** The Director will make an adjustment:

(1) On the effective date of any GS adjustment under 5 U.S.C. 5303, and by [not less than] the same percentage as the increase in the rates of basic pay under the GS, exclusive of locality comparability payments under 5 U.S.C. 5304;

[(2)] Not later than 30 days after the release of the results of an LLMA survey by the Bureau of Labor Statistics (BLS) that meets the requirements of [paragraph 4c below];

[(3)] Not later than 30 days after the publication of an applicable third-party salary survey that meets the requirements of paragraph 4d below]; and

(4) Not later than 30 days after the completion of data collection for a VA [survey conducted under chapter 2 of this part.]

NOTE: *See paragraph 5 of chapter 3 for additional guidance regarding adjustments.*

c. **Exceptions to Regular Adjustments.** If a facility Director determines an adjustment is not necessary under subparagraphs b(2)[, (3) or (4)] above because current LPS rates are competitive, the Director may continue those rates after a VA- or BLS-conducted survey [or other third-party survey.]

d. **Other Adjustments.** Without conducting [or purchasing] a new survey, facility Directors may authorize general LPS adjustments based on data from the most recent survey, provided that all of the following conditions apply:

(1) The [] new rates authorized do not exceed the highest [comparable] community rate reported in the most recent survey;

(2) The effective date of the proposed adjustment is within 120 days of the completion date [or publication date] of that survey; and

(3) There are continuing pay-related recruitment and retention problems which would not be more appropriately addressed by another pay-setting mechanism (e.g., establishing pay schedules for a particular specialty within an occupation, requesting exception to the 133 percent rate range, or authorizing higher step rates for personnel with specialized skills).

[4. LPS SURVEYS]**a. General**

(1) LPS surveys apply to employees covered by LPS except certain Veterans Health Administration (VHA) Central Office and VISN Office employees excluded under chapter 5, VHA Central Office and VISN Office Nurse Pay, and San Juan, Manila, and Guam employees excluded under chapter 6, Rates of Pay for San Juan and Manila.

(2) Except for mandatory pay adjustments made under the provisions of chapter 3, paragraph 5, LPS adjustments are made to achieve consistency with rates of compensation for corresponding health care positions in the LLMA. In determining whether to carry out a wage survey, facility Directors may not consider the absence of a current recruitment or retention problem.

(3) To the extent practicable, all salary surveys purchased or conducted shall include the collection of salary midpoints, actual salaries, lowest and highest salaries, average salaries, bonuses, incentive pays, differential pays, actual beginning rates of pay, and any other information available to determine if LPS adjustments are necessary.

b. Mandatory Survey Requirement

(1) If the facility Director determines that a significant pay-related staffing problem exists or is likely to exist for any grade of a covered occupation or specialty, the Director must conduct a salary survey or use a BLS or other third-party industry salary survey to determine whether a rate adjustment is necessary to remain competitive with the rates of compensation for corresponding positions, if such a survey has not been conducted within 120 days. Nothing in the preceding sentence precludes the Director from conducting a survey at other times if deemed necessary in order to adjust the pay rates of covered positions.

(2) Positions in the occupation or specialty meeting at least three of the following criteria are considered to be experiencing, or likely to experience, a significant pay-related staffing problem for the purpose of determining whether a salary survey must be conducted.

- (a) A 5 percent increase in the turnover rate since June 30 of the prior year.
- (b) A significant number of losses since June 30 of the prior year were quits for pay.
- (c) A 10 percent increase in the vacancy rate since June 30 of the prior year.
- (d) Positions remain vacant for six months or more despite active recruitment.
- (e) Positions have been abolished due to recruitment difficulty.
- (f) Any other criteria deemed appropriate by the facility Director.

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NOTE: *The increase in turnover and vacancy rates will be calculated by subtracting the previous rate from the current rate (e.g., a change from 10% to 12% is a 2% increase; a change from 8% to 13% is a 5% increase).*

c. BLS-Conducted Surveys

(1) When a facility Director determines that a Bureau of Labor Statistics (BLS)-conducted LLMA survey contains current information on rates of compensation for corresponding positions, that Director shall use that data as a basis for LPS adjustments. Surveys must meet the following conditions:

(a) The data reported in the survey must reflect an appropriate LLMA for the facility or geographic area covered by the pay schedule. An appropriate LLMA is one that includes the county in which the covered employees will be assigned and is representative of the location of competing establishments.

(b) Data is available for one or more levels described in paragraph 2 of Appendix X-E.

(2) The only type of BLS survey that shall be used for pay-setting purposes under chapter 3, Salary Schedule Construction and Implementation, is a National Compensation Survey specific to the geographic area in which the VA facility is located. Information regarding the availability of National Compensation Surveys for specific geographic locations may be obtained from the [BLS website](#).

NOTE: *VA has determined that the BLS Occupational Employment Statistics Survey is not an appropriate pay-setting tool because data is reported for all workers in an occupation and is not specific to the level of work performed within the occupation.*

d. Other Third-Party Surveys

(1) When BLS data are not available or not current, the Director shall, to the extent practicable, use other third-party wage surveys to determine if LPS adjustments are necessary. These surveys may be purchased from a compensation service or obtained on a participatory basis through local hospital associations or other organizations. Surveys must meet the following conditions:

(a) **Type of Salary Data.** The survey must include the following components:

1. **Rates Actually Paid.** The minimum and maximum rates actually paid in a given job category.

2. **Salary Range.** The published minimum and maximum rates of pay for a given job category.

3. **Mean Salary.** The average of all actually paid wages for a specific job category.

4. **Median Salary.** The middle wage value in a group of sequential data. The actually paid wages reported are sorted from lowest to highest and the middle number is the median value. This may also be reported as “50th percentile.”

5. **Number of Establishments.** The number of establishments that reported data for a particular job category.

6. Number of Employees. The total number of employees in the job category for which rates were reported.

(b) **Geographic Area.** The data reported in the survey must reflect an appropriate LLMA for the facility or geographic area covered by the pay schedule. An appropriate LLMA is one that includes the county in which the covered employees will be assigned and is representative of the location of competing establishments.

(c) **Job Match.** The data reported can be readily equated to one or more grade levels shown in the survey job statements included in Appendix D. General job descriptions that do not differentiate between varying levels of education or experience will be matched to the lowest appropriate VA grade or level. Data collectors will conduct job matching in accordance with Appendix E. Facility Directors will appoint data collectors in the same manner as those for VA surveys conducted under chapter 2, this part.

(d) **Job Description.** The survey must provide job descriptions for each of the positions reported. The job descriptions should include duties, responsibilities and, where applicable, education and experience requirements.

(e) **Periodicity.** The particular third-party survey must be conducted at least every other year, but preferably at least once a year.

(f) **Number of Establishments.** Surveys must include at least 3 participant establishments in order to be considered a statistically valid sample.

(2) Third-party wage surveys exhibiting the following characteristics will not be considered valid:

(a) Surveys with insignificant size for a statistically valid sample. Surveys with less than 3 participant establishments will be considered invalid.

(b) Surveys conducted on an ad-hoc basis.

(c) Surveys reporting only averages or beginning pay rates.

(d) Surveys that do not provide salary data geographically.

(e) Surveys that do not provide job descriptions for the positions surveyed.

e. **VA-Conducted Surveys.** When BLS or other third-party salary survey data are not available, the facility Director shall conduct a survey in accordance with the instructions in chapter 2 of this part.

f. **Effective Date of Revised Schedules.** Revised schedules will be effective on the first day of the first pay period that begins on or after the date on which the schedule is approved by the facility Director unless an earlier date is required under paragraph 3b of this chapter.

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g. **Records.** A survey file containing the material specified in paragraph 9 of chapter 2 and paragraph 8 of chapter 3, this part, will be established for each survey conducted or purchased under this part.

5. UNDER SECRETARY FOR HEALTH AUTHORITY TO MODIFY LOCAL DETERMINATIONS

a. In order to ensure that rates of pay for covered positions are sufficient to be competitive, on the basis of pay and other employee benefits, with non-Department health care facilities in the same labor market area in the recruitment and retention of qualified personnel, the Under Secretary for Health may modify any decision made by a local facility Director with respect to adjusting rates of pay. This includes the authority to direct that a survey be conducted.

(1) If the determination of the Director results in an increase in rates of basic pay applicable to covered positions, any action by the Under Secretary for Health under this paragraph shall be made effective the same date as the initial decision of the Director.

(2) Any new pay actions ordered by the Under Secretary for Health shall take effect on the first day of the first pay period beginning after such action.

b. Office of Human Resources Management (OHRM) (051) officials will review pay-setting and/or survey decisions at least annually to determine if action by the Under Secretary for Health is warranted. Such reviews will normally be conducted coincident with the annual reporting requirement in paragraph 6 of this chapter but may take place at other times as requested by the Under Secretary for Health.

c. OHRM officials will recommend action by the Under Secretary for Health after consideration of the following criteria. Such recommendations will not be based on just one factor, but rather a combination of factors that reflect the overall pay and staffing picture:

(1) The facility has a documented staffing problem based on the criteria in paragraph 4b(2) of this chapter;

(2) A salary survey has not been conducted in the past 12 months;

(3) The existing or recommended pay rates are set significantly below comparable rates in the community; and

(4) Any other evidence which suggests that the current or recommended pay rates are not sufficient to be competitive for the recruitment and retention of employees in the occupation or specialty.

6.] ANNUAL REPORT. Facility Directors shall complete and submit an annual report on staffing no later than July 31 each year. Separate reports will be submitted for nurses and nurse anesthetists, as well as for any category of an occupation for which a specialty schedule has been established. The report will be completed and submitted [by dragging and dropping the report icon from the [OHRM website](#).] For illustrative purposes, a copy of the report is contained in Appendix X-B.

[7.] **SPECIALTY SCHEDULES.** A separate salary schedule may be established for any nurse category, except head nurse, by conducting a survey of pay rates for the corresponding specialty in the LLMA. These specialty areas include but are not limited to operating room nurse, nurse practitioner, critical care nurse, administrative nurse, and clinical nurse specialist. Employees will be paid as follows:

a. **Approval of Specialty Schedule.** Employees reassigned to a specialty schedule must receive the corresponding rate for the grade and step held on the day before the effective date. [If the employee is at a step on an extended rate range that does not exist on the specialty schedule, the employee will be placed at the maximum step of the grade on the specialty schedule and be granted pay retention under part III, chapter 6, paragraph 6 if his or her existing basic pay rate exceeds the maximum rate on the specialty schedule. If such an employee is subsequently reassigned to a schedule with a greater rate range, the employee may be placed at the corresponding rate for the grade and step held on the day before the effective date or may be adjusted up to the highest previous step held. They do not automatically get placed at the maximum step of the grade even if pay retention is terminating.]

b. **Termination of Specialty Schedule.** If the Director determines a specialty schedule is no longer necessary for recruitment and retention purposes and terminates the schedule, affected employees will be placed at the lowest step of the corresponding grade on the regular staff nurse schedule that equals or exceeds their existing rate of pay. If the employee was receiving a rate of pay in excess of the maximum rate of the grade on the regular staff nurse schedule, the employee will be placed on pay retention under part III, chapter 6, paragraph 6.

c. **Voluntary Reassignment.** Employees receiving pay under this paragraph who are voluntarily reassigned must receive the corresponding rate for the grade and step held on the day before the effective date and are not eligible for pay retention. [If the employee had been placed at a lower step or given pay retention upon assignment to the specialty schedule because their step did not exist on the specialty schedule, the employee may be adjusted up to the highest previous step held (see subparagraph a above). They do not automatically receive the maximum step of the grade even if pay retention is terminating.]

d. **Involuntary Reassignment.** If the reassignment of an employee from an assignment covered by a specialty schedule is directed for reasons other than cause, the affected employee will be placed at the lowest step of the corresponding grade on the applicable schedule that equals or exceeds their existing rate of pay. If the employee was receiving a rate of pay in excess of the maximum rate of the grade on the new schedule, the employee will be placed on pay retention under part III, chapter 6, paragraph 6.

[8.] **COORDINATION.** Successful implementation of the LPS requires close coordination between facilities in the same or overlapping LLMA's, as well as between facilities and their outpatient clinics. This includes coordination of the following items:

- a. Higher rates of pay for specialized skills approved under part III, chapter 8;
- b. [Purchase or use of third-party salary survey data under paragraph 4c or d of this chapter, including determining applicability of such data and pay setting determinations.]

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c.] Surveys conducted under chapter 2, [VA-Conducted] Surveys, including establishing LLMAAs, appointing data collectors, conducting surveys, implementing locality pay adjustments, and completing these tasks for satellite outpatient clinics;

[d.] Salary schedule construction under chapter 3, Salary Schedule Construction and Implementation; and

[e.] Exceptions to the 133 percent rate range under chapter 4, Exceptions to the 133 Percent Rate Range.

[9.] EFFECTIVE DATES. Authorizations (e.g., higher rates for specialized skills, expansion of the rate range, general pay adjustments) will be effective on the first day of a pay period. All reductions and terminations of authorizations will be effective on the last day of a pay period, unless they occur simultaneously with a change in beginning rates; then the effective date is the first day of the following pay period.

[10.] POST AUDIT AND CORRECTIVE ACTION. Actions taken under this [part] may be post audited by VA Central Office, and corrective action may be directed to ensure compliance with the law and this Handbook's provisions.

CHAPTER 2. [VA-CONDUCTED] SURVEYS

[1. **GENERAL.** When BLS or other third-party salary survey data are not available (see paragraph 4 of chapter 1), the facility Director shall conduct a survey of the local labor market area (LLMA) in accordance with the instructions in this chapter.] In scheduling LPS surveys, the facility Director will consider the dates of the following:

[a.] Scheduled salary increases at establishments in the LLMA;

[b.] Upcoming GS adjustments; and

[c.] Any applicable non-foreign cost-of-living allowance (COLA) outside the continental United States or in Alaska and Hawaii, approved by the Office of Personnel Management under Title 5, United States Code (U.S.C.) 5941. []

[2.] LOCAL LABOR MARKET AREAS

a. **Minimum LLMA.** The minimum LLMA for covered occupations or specialties shall be one of the following:

(1) If the VA facility is in a Metropolitan Statistical Area (MSA), or Primary Metropolitan Statistical Area (PMSA), the minimum LLMA is the MSA or PMSA;

(2) If the VA facility is not in an MSA or PMSA, but is in a county, township, or independent city contiguous to an MSA or PMSA, the minimum LLMA is the MSA or PMSA and the county, township, or independent city in which the facility is located;

(3) If neither subparagraph [2a(1)] or (2) apply, but the facility is in a Federal Wage System (FWS) survey area, the minimum LLMA is the FWS survey area; or

NOTE: *In the New England States (Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Connecticut) MSAs, PMSAs, and FWS survey areas are based on townships. In these cases, recognized townships will be used to determine basic survey areas rather than counties.*

(4) If subparagraphs [2a(1)] through (3) do not apply, the facility Director shall define a minimum LLMA which is contiguous, includes the county in which the facility is located, and is based on the location of competing establishments, geographical features of the area, transportation facilities for employees, and commuting patterns of VA employees. The minimum LLMA defined under this subparagraph shall not exceed the commuting area of the VA facility, and shall include a minimum of three establishments with employees in the occupation or specialty being surveyed.

(5) If a facility is not in an MSA or PMSA, but is contiguous to more than one MSA or PMSA, the decision on which MSA or PMSA to use will be based on the same criteria in subparagraph [2a(4)].

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(6) If a satellite outpatient clinic (OPC) is not in the LLMA of the parent facility, a separate survey will be required and a separate LLMA will be established using the criteria in subparagraphs [2a(1)] through (5).

b. Expanded LLMAs

(1) Normally, facility Directors may contiguously expand survey areas for one or more covered occupations or specialties to include any recognized economic area, such as township(s), city(ies), county(ies), MSA(s), and PMSA(s). Such expansion will be based on a review of the conditions in subparagraph [2a(4)] and a determination by the Director that the minimum survey area does not adequately reflect the LLMA for those occupations or specialties or there are less than three job matches per grade. LLMAs may be expanded differently for different occupations or specialties; however, the expanded area normally will not exceed the commuting area of the VA facility.

(2) If the minimum LLMA defined under subparagraph [2a] or b(1) does not adequately reflect the local labor market for the occupation or specialty, or the survey continues to provide less than three job matches per grade, facility Directors may further expand the LLMA for an occupation or specialty beyond the normal commuting area of the VA facility. The facility Director must provide a written justification, which clearly supports expansion of the LLMA beyond the normal commuting area.

c. Documentation and Review

(1) Each facility Director must document the applicable minimum LLMA and forward a copy of the definition to the Network Director (10N__ /051). Supporting documentation required for locally defined or expanded LLMAs under subparagraphs [2a(4)] or b will also be forwarded. The LLMA definitions and supporting documentation will be retained by Human Resources Managers and made part of official survey files in accordance with paragraph [9].

(2) If upon review, it is determined that a minimum LLMA established under subparagraph [2a(4)] or any expanded LLMA exceeds the facility's commuting area and justification required under subparagraph [2b(2)] does not support the expansion, appropriate corrective action may be taken (see par. [10] of chapter 1).

[3.] SURVEY UNIVERSE AND SURVEY SAMPLE

a. **Survey Universe.** Using local, regional, and national directories which identify health care facilities and include estimates of their employment in the LLMA, facility Directors shall develop and maintain a survey universe consisting of all establishments in the LLMA that have employees in covered occupations. Software has been developed to assist facilities in establishing and maintaining survey universes.

b. **Establishments to be Surveyed.** To determine which establishments are to be surveyed, the following procedures will be used:

(1) If the universe contains 15 or fewer establishments, the entire universe will be surveyed; and

(2) If the universe contains more than 15 establishments, the survey will be based on a sample.

(a) **Certainty Establishments.** Before sampling, facility Directors may select in writing one or more establishments to be included in the survey. Establishments selected by this method are referred to as certainty establishments and are removed from the survey universe before sampling.

1. Establishments will only be included with certainty if they significantly affect the facility's ability to recruit or retain employees in the occupation or specialty to be surveyed, e.g., a major employer of nurses in close proximity to the VA facility. A list of certainty establishments and the reason for their selection will be retained in the LPS survey file.

2. Directors of facilities in outlying towns and suburbs of an MSA or a PMSA that are required to document decisions based on nearest geographic competitors under subparagraph [2a(3)] of chapter 3, must list those establishments as certainty establishments for the survey.

3. Selection of additional certainty establishments may also be appropriate in order to increase the potential for job matches.

(b) **Sorting the Universe into Groups.** To begin the sampling process, first sort the universe, excluding any certainty establishments, using the following procedures:

1. Rank by estimated employment, the establishments in the universe from highest to lowest employment;

2. Determine the total estimated employment for the universe by summing the estimated employment for all establishments; and

3. Divide the universe into five groups with the total estimated employment of the establishments in each group equal to one-fifth of the total universe employment. (For example, if the total estimated employment in the universe is 50,000, create five groups of establishments each with total estimated employment of approximately 10,000.)

(c) **Selecting Sample Establishments.** If there are five or fewer establishments in a group, all the establishments will be surveyed. If there are more than five establishments in a group, five establishments will be selected randomly to be surveyed. **NOTE:** *This procedure will result in no more than 25 randomly selected establishments. These are combined with any certainty establishments to create the survey sample.*

c. **Abbreviated Surveys.** If there are fewer than ten employees in the occupation or specialty to be surveyed, the facility Director may order a full scale survey. However, normally an abbreviated survey of only the five establishments closest to the VA facility will be surveyed. In addition, the facility Director may select one certainty establishment if the criteria in subparagraph [3b(2)(a)] are met. Also, if there are only three or four establishments in the LLMA, only these will be surveyed. In the abbreviated survey, these establishments shall constitute both the survey universe and survey establishments. Abbreviated surveys may not be conducted by facilities coordinating surveys in identical or overlapping LLMAs required in paragraph [10].

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CHAPTER 2****[4.] CONFIDENTIALITY OF SURVEY DATA****a. Information Not Subject to Disclosure Under the Freedom of Information Act.**

Title 38 U.S.C. Section 7451[(d)(5)] provides that information collected by the Department in surveys conducted under this part is not subject to disclosure under the Freedom of Information Act (5 U.S.C. 552).

b. Employee Responsibilities. Access to information collected under this part is to be restricted to employees who have a need to know. Further, employees having access to the information are required to retain it in strict confidence, and are subject to disciplinary action for violating the confidentiality of data secured from a non-VA employer. Any reported violation will also result in the employee being barred from continued participation in the survey process.

c. Release of Summary Information. Upon request, Human Resources Managers may release [data from] the survey summary provided the information does not permit the reader to associate specific employers with specific rates of pay. Local policies may be developed for the routine release of information from [] the survey summary.

[5.] AUTHORITY TO COLLECT DATA

a. [VA has obtained Office of Management and Budget (OMB) approval to conduct LPS surveys as required by the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35).]

b. Only information necessary to complete the LPS Data Collection Form, VA Form 10-0132 (see Appendix X-C), may be requested from an establishment.

[6.] DATA COLLECTORS

a. **Appointments.** Facility Directors are to appoint a sufficient number of data collectors to comply with the provisions of this [part]. Data will be collected by data collection teams. Each team will consist of a Human Resources Management Service employee (or other employee not covered by LPS) and a nurse or nurse anesthetist whenever possible. Normally one team for every ten establishments to be surveyed will be sufficient. However, facility Directors will have latitude to adjust the number of teams depending on experience of the data collectors, past difficulties in obtaining data from survey establishments, or other related factors.

NOTE: *Federal employees are prohibited from directly or indirectly influencing their own rate of pay. Therefore, covered employees may not independently collect salary data from non-VA health care facilities or be involved in the analysis of data for setting the rate for their own grade or for a grade which would indirectly influence the rate for that grade. After the data collection process is completed and job matches have been verified, [affected] employees [] will not participate in the development of pay schedules to avoid a conflict of interest. However, the facility Director may consult with Nursing Service officials for anecdotal information (i.e., career patterns, non-quantifiable benefits, direct competitors, etc.) which may not have been reported during the survey process and which may assist the Director in the decision process.*

(1) In selecting data collectors, facility Directors should consider the following qualifications:

- (a) Knowledge of the occupation or specialty being surveyed;
- (b) Knowledge of the LPS;
- (c) Ability to approach the data collection process objectively; and
- (d) Ability to communicate effectively both orally and in writing.

(2) All appointments are to be in writing and filed in the left side of the employee's personnel folder. The appointment document will also advise the employee of his or her responsibilities regarding confidentiality of data, which are described in subparagraph [4b]. Facility Directors will establish procedures for the selection of data collectors and length of appointment.

b. **Training.** To ensure consistency in the data collection process, employees appointed as data collectors will be trained before they are permitted to collect data. At a minimum, the training will include instruction on survey methodology and job matching, applicable qualifications standards and survey job statements, the procedures for completing the data collection form, and data documentation requirements, as well as a review of the data collected in previous surveys and available information about the establishments to be surveyed.

[7.] DATA COLLECTION

a. Data Collection Process

(1) Before any data are collected, the facility Director will send each survey establishment a written [letter] indicating that its purpose is to assist VA in fairly compensating nurses by establishing competitive pay while minimizing the possibility of unfair competition by precluding VA from being the pay leader in a LLMA. In addition, the letter will state that VA officials will be calling to arrange an on-site visit.

(2) Under authority of 38 U.S.C. Section 7451 or 7455, facility Directors must use the survey-required job statements (see Appendix X-D) for the occupation or specialty being surveyed. Data are to be reported on the Locality Pay System Data Collection Form, VA-Form 10-0132, following the instructions included with the form (see Appendix X-C).

(a) Data collectors are expected to maintain good public relations when dealing with non-VA establishments.

(b) An on-site data collection visit must be requested each time a survey is conducted. If, when telephone contact is made with officials of the survey establishment, they refuse an on-site visit, data may be collected by phone if the establishment has been visited within the last 3 years. If an on-site visit is refused and the establishment has not been visited within the past 3 years, the data still may be obtained by phone; however, a separate written assessment of the validity of the data will be placed in

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the survey file. This determination may be based on anecdotal information, e.g., local recruiting advertisements; a review of the consistency of the data with data collected from past surveys or from other participating establishments in the current survey; or on written records that the establishment is willing to provide, i.e., job descriptions, organizational charts, or published salary schedules.

(c) The data collection form will be annotated to document the name and title of the establishment official contacted, the date of the contact or on-site visit, and if an on-site visit is refused, the reason for the refusal. []

[(d)] Data collectors will ask establishment officials for copies of job descriptions, organizational charts, and pay schedules, which they will attach to the survey data collection form. If job descriptions cannot be obtained from the establishment, data collectors will prepare brief job statements based on the information they obtained during their interviews of establishment officials. Job descriptions or statements must be attached for each grade level for which data are obtained. []

[(e)] Data collection forms submitted without the documentation required above will be returned to the data collectors for completion.

[(f)] VA positions will be compared to those in non-VA establishments using the job matching instructions contained in Appendix X-E.

b. Types of Data to be Collected

(1) **Compensation.** Surveys conducted under this chapter shall, to the extent practicable, collect relevant data regarding compensation for corresponding positions, including but not limited to salary midpoints, actual salaries, lowest and highest salaries, average salaries, bonuses, incentive pays, differential pays, and actual beginning rates of pay.]

NOTE: *Surveyors should be careful to differentiate [between different types of data collected (e.g., salary midpoints, actual salaries, lowest and highest salaries, average salaries, bonuses, incentive pays, differential pays, actual beginning rates of pay, etc.)]*

(2)] **Employee Benefits.** [Section 7451(d)(6)(A)(ii) of Title 38 U.S.C.] provides that beginning rates of compensation shall include employee benefits to the extent that those benefits are reasonably quantifiable. At this time, regular and recurring cash bonuses are the only fringe benefits to be included [as compensation under (1) above.] Sign-on or recruitment bonuses will not be included because they are [one-time payments rather than an on-going pay entitlement and should not be factored into base pay determinations. However, information regarding bonuses that are not regular and recurring and other employee benefits should be collected and may be used to determine whether the facility needs to offer similar incentives in order to be competitive for recruitment or retention purposes.

c.] **Respondent Burden.** To comply with the requirements of the Paperwork Reduction Act, data collectors must provide a disclosure statement to establishments being surveyed. The following statement must be used:

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the VA Clearance Officer (723), 810 Vermont Avenue, NW, Washington, DC 20420; and to the Office of Management and Budget, Paperwork Reduction Project (2900-0519), Washington, DC 20503. Do not send requests for benefits to these addresses.

[]

d. **Weighting Survey Results.** Weighting is an attempt to ensure that the results of the sample accurately represent the universe. Normally, survey results are weighted based on the number of participating establishments within each of the five groups identified in subparagraph [3b]. (For example, if there are ten establishments in the group and five provide data, the data from each of those five establishments will be doubled when calculating the survey results.) []

e. **Survey Summary.** Upon completion of the data collection process, the Chief, Human Resources Management Service will prepare a summary of the data and forward it, through appropriate channels, to the facility Director. [An Excel spreadsheet titled “LPS Survey Summary” is available on the [OHRM website](#) for this purpose.]

f. **Adequacy of Data**

(1) The following minimum survey data requirements are applicable:

(a) There must be at least three participating establishments with job matches in the occupation or specialty being surveyed [for which the same type of data (e.g., salary midpoints, actual salaries, lowest and highest salaries, average salaries, etc.) were collected.]

(b) Non-participating establishments will represent no more than 25 percent of the total weighted employment in the survey universe. An establishment willing to participate but where no job matches were found, including one that does not have employees in the occupation or specialty being surveyed, is considered a participating establishment.

(c) If the non-participating rate is higher than 25 percent, but the minimum requirement of three participating establishments is met, the facility Director may exercise the following options:

1. Using anecdotal information, the Director may determine that the data collected adequately represent the rates paid in the LLMA, and use the data to establish schedules under chapter 3, Salary Schedule Construction and Implementation.

2. The facility Director may maintain the existing rates of pay.

(2) Reasonable efforts will be made to obtain three job matches [of the same type of data (e.g., salary midpoints, actual salaries, lowest and highest salaries, average salaries, etc.)] for each grade or level.

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(a) Before beginning a survey, if facility officials anticipate [fewer] than three job matches will be found at one or more grades or levels, the facility Director may either identify additional certainty survey establishments or survey all non-VA health care facilities in the LLMA. If neither of these approaches is likely to produce three job matches, the Director may expand the LLMA.

(b) If, after completing a survey, [fewer] than three job matches are found at one or more grades or levels, the facility Director may use the data collected to set beginning rates of pay but must also consider the following:

1. Use the options in subparagraph [7f(2)(a)] before the next survey to increase the potential for additional job matches.

2. Where [fewer] than three job matches [of the same type of data] are found for Nurse IV and/or Nurse V only, the facility Director may establish a schedule for the other grades and resurvey using the options in subparagraph [7f(2)(a)] and create an administrative specialty schedule for those two grades.

(3) If none of the options in subparagraph [7f(2)(a)] or (b) are utilized and [fewer] than three job matches [of the same type of data] per grade or level are used to establish a new or revised schedule, the Director must provide sufficient written assurance that [the limited number of] job matches are adequate to set a competitive beginning rate for one or more grades or levels. The following factors or combination of factors may warrant using [fewer] than three job matches:

(a) The limited data collected is representative of the rates paid in the LLMA. The facility is in a remote area containing very few health care establishments, all of which provided data for the survey.

(b) Expansion of the LLMA would result in collecting rates not representative of local rates.

(c) Initial expansion of the LLMA did not produce any usable data and further expansion is unlikely to produce useful data.

(d) The limited data available [is consistent with] data collected [by adjacent VA facilities or by VA facilities] in similar labor markets.

g. Validation of Survey Data

(1) Facility Directors will ensure that a thorough analysis of the LPS survey is completed prior to issuance of any schedule. A designated Human Resources Management Service employee will review all aspects of the survey process.

(2) The review will consist of a comparison of the data collected with that obtained in previous surveys, a review of the survey summaries for consistency of job matches within the survey establishment and in the occupation being surveyed, and a review of the appropriateness of the job matches. Survey establishments will be recontacted to resolve inconsistencies in data collected and to resolve any questions on the appropriateness of job matches.

(3) If discrepancies in the data collected cannot be resolved, e.g., reported data appear [] not to be based on a job match, or do not accurately reflect pay practices in the LLMA and it cannot be validated by an on-site visit, the use of anecdotal information, or written material provided by the survey establishment, the reviewer will recommend to the facility Director that the data not be used in the survey summary.

h. Invalidating Survey Data

(1) If, after the analysis of survey data described in the preceding paragraph, the facility Director determines that some or all of the data from a survey establishment are invalid, the Director will not use that data in the survey summary.

(2) If a facility director determines that all the data collected for a particular grade are invalid, the Director may maintain the existing rates of pay.

(3) Copies of these determinations will be included in the survey file and are subject to post-audit and verification.

NOTE: *Survey data may not be declared invalid simply because it is below or above current VA pay rates.*

i. Post-audit Review of Data Collection. Office of Human Resources Management (OHRM) officials may randomly post-audit salary surveys. These audits will consist of reviews of the survey summaries and data collection forms, including attached establishment job descriptions or statements, organizational charts, and salary schedules. Where inconsistencies are found in the data collected or in the survey file documentation required under this [chapter], OHRM officials may contact survey establishment officials to validate the data. Where appropriate, corrective action will be directed to ensure compliance with the law and the provisions of this [chapter].

[8.] SURVEYING NURSE ANESTHETIST CONTRACTORS

a. Sufficiency of Data. Normally, adjustments in beginning rates for nurse anesthetist grades will be based on data obtained by surveying establishments, such as medical centers and outpatient clinics (see Appendix X-A for definition). However, if surveys of initial and expanded LLMA do not produce sufficient data to make salary adjustments, facility Directors may authorize survey of organizations, such as physician practice groups, which provide nurse anesthesia services on a contract basis[]. Before authorizing surveys of nurse anesthetist contractors, facility Directors must first:

(1) Survey within a locally approved LLMA;

(2) Expand the LLMA (see subparagraph [2b]) and survey the expanded LLMA; and

(3) Determine that sufficient data were not obtained from either the initial or the expanded LLMA, that further expansion of the LLMA is unlikely to produce useful data, and that a survey which includes data from nurse anesthetist contractors is needed to establish or maintain competitive pay rates.

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CHAPTER 2****b. Surveying Nurse Anesthetist Contractors****(1) LLMA**

(a) The minimum LLMA for surveys which include nurse anesthetist contractors will be defined under subparagraph [2a].

(b) As provided for in subparagraph [2b], the facility director may authorize expansion of the minimum LLMA. **NOTE:** *Authorizations under subparagraph [2b] to expand the LLMA for a survey which did not include nurse anesthetist contractors will not apply to a survey which now includes nurse anesthetist contractor data. The facility Director must re-authorize these[LLMA] expansions if it is deemed necessary.*

(2) Survey Universe and Survey Sample

(a) Nurse anesthetist contractors will be identified and added to the survey universe created under paragraph [3]. The universe will include both contractors and health care establishments as defined in appendix X-A.

(b) The survey sample will be selected as provided for in subparagraph [3b].

(3) Data Collection

(a) Data will be collected on VA-Form 10-0132.

(b) Special caution must be exercised in collecting data from nurse anesthetist contractors to assure that the data is an accurate report of beginning rates of compensation. The following types of data may not be used:

1. Data on the compensation of nurse anesthetists who contract with health care establishments or who are subcontractors of nurse anesthetist contractors. These individuals are not employees of either the establishments or the contractors.

2. Data on flat rate compensation, which includes both regular and premium pay. Some contractors pay their employees a flat rate which is intended to compensate them for regular duty as well as overtime, shift, weekend, and on-call duty. []

3. Data which includes any compensation which is provided to offset the purchase of individual malpractice insurance.

4. Data that include any compensation in lieu of benefits (e.g., annual or sick leave, life or health insurance).

(c) Both contract data and any available health care establishment data must be considered in establishing pay schedules and the survey summary must reflect the combined data from both sources.

[9.] RECORDS

a. A survey file must be established for each survey conducted [or purchased] under this [part]. In addition to those records required by paragraph 8 of chapter 3, the following material must be included in that file. Facilities must retain these records for 3 years:

(1) [VA-Conducted Surveys]

[(a)] Written determination of the LLMA (subparagraph [2c(1)]);

[(b)] The listing of all establishments in the LLMA universe (subparagraph [3a]);

[(c)] A list of survey establishments annotating those that did not participate (subparagraph [3b] and c);

[(d)] List of any certainty establishments selected for survey (subparagraph [3b(2)(a)]);

[(e)] List of data collectors appointed by the facility Director (subparagraph [6a]);

[(f)] Completed VA Forms 10-0132 for survey establishments, including job descriptions and/or job statements (subparagraph [7a(2)(d)]);

[(g)] Job match determinations made under Appendix E;

[(h)] The survey summary (subparagraph [7e]);

[(i)] Any determination that survey data for a particular grade or grades are invalid (subparagraph [7h]);

[(j)] Any determination not to increase [] rates of pay as a result of a salary survey (subparagraph 3c of chapter 1);

[(k)] A copy of the justification and facility Director's approval to use contract [nurse anesthetist] salary data (subparagraph [8a]); and

[(l)] Written justification that less than three job matches were adequate to set a competitive beginning rate for a grade (subparagraph [7f(3)]).

(2) BLS or Other Third-Party Surveys

(a) The published survey (subparagraph 4c and d of chapter 1);

(b) List of data collectors appointed by the facility Director (subparagraph 4d(1)(c) of chapter 1);

(c) Job descriptions for each position reported (subparagraph 4d(1)(d) of chapter 1);

(d) Job match determinations made under Appendix E;

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(e) Any determination not to increase rates of pay as a result of a salary survey (subparagraph 3c of chapter 1); and

(f) Supporting documentation that addresses the geographic area represented in the survey, the periodicity of the survey, and the number of establishments represented in the survey (subparagraph 4d of chapter 1).]

b. The records listed in subparagraph [9a] above, along with those listed in paragraph 8 of chapter 3, must be forwarded to OHRM (051), within 10 days after the records are requested for audit.

[10.] COORDINATION. When facilities are in the same or overlapping LLMA's, their Directors will coordinate expansion of LLMA's, use of contract data for certified registered nurse anesthetists, timing and frequency of surveys, selection of establishments to be surveyed, appointment of data collectors, collection of data, construction of pay schedules, and maintenance of records (see par. [8] of chapter 1).

a. **Identical LLMA's.** Although it is expected that facilities in the same LLMA would establish identical pay schedules, facility Directors may establish differing schedules after considering the location of the facilities, commuting patterns of employees and the salaries paid in the individual local communities. Facility Directors in these areas will coordinate the survey process to ensure that the schedules established under this [part] do not cause competition between facilities in the same LLMA.

b. **Overlapping LLMA's.** When facilities have overlapping LLMA's, the facilities will coordinate the surveys as provided for above. Since the schedules will be based on [] survey data [from different establishments], identical pay schedules would not be appropriate unless supported by the survey data. The degree of coordination and similarity in pay schedules will depend on the extent of overlap in the LLMA's.

CHAPTER 3. SALARY SCHEDULE CONSTRUCTION AND IMPLEMENTATION

1. GENERAL. The same pay-setting procedures apply to registered nurse and nurse anesthetist schedules. However, for nurse anesthetist schedules, Nurse I will only have two levels in the grade.

2. SETTING THE BEGINNING RATE FOR GRADES AND LEVELS [BASED ON] SALARY SURVEY [RESULTS]. Instructions on setting beginning rates for mandatory adjustments coincident with a GS increase can be found in paragraph 5 of this chapter.

a. When Non-VA Salary Data are Available for [a] Grade [or] Level

(1) When the [BLS, third-party, or VA survey results include salary data for a grade or level], the facility Director will use [the data] as guidance in determining the appropriate beginning rate for [the] grade [or] level. The Director will also consider such factors as:

(a) The geographic relationship of the Department of Veterans Affairs (VA) facility to major non-VA health care facilities in the local labor market area (LLMA); []

[(b)] Non-VA benefit packages which are not quantifiable; and

[(c)] Other factors which affect the facility's ability to recruit or retain employees in covered positions.

(2) [] The facility Director will set the beginning rate for each grade and level at [an amount deemed competitive with the available salary survey data. When more than one survey source is utilized or survey results include more than one category of data, the Director shall give appropriate consideration to each survey and/or data type. Beginning rates may be extrapolated from non-beginning rate survey data (e.g., median rates, maximum rates, etc.) as follows:

(a) Using Mid-Point or Median Salaries

1. If the VA grade has 12 steps, divide the mid-point or median survey rate by 1.165 to determine an appropriate step 1 rate. If the VA grade has an approved rate range extension, divide the mid-point or median survey rate as shown in the following chart:

<u>Number of Steps in VA Grade</u>	<u>Divisor</u>	<u>Number of Steps in VA Grade</u>	<u>Divisor</u>
13	1.180	20	1.285
14	1.195	21	1.300
15	1.210	22	1.315
16	1.225	23	1.330
17	1.240	24	1.345
18	1.255	25	1.360
19	1.270	26	1.375

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2. Example: The average median salary rate paid in the community for the equivalent grade is \$45,780. The VA grade has 12 steps. Step 1 of the VA grade is set at \$39,296 (\$45,780 divided by 1.165).

(b) Using Average, Actual, or Mean Salaries

1. Determine the average step for on-board employees in the VA grade for which pay is being set.
2. Use the average, actual, or mean salary survey data to set the rate for the step determined in subparagraph 1 above.
3. Back down to the appropriate beginning rate by dividing the average, actual, or mean salary rate as shown in the following chart:

<u>Average Step</u>	<u>Divisor</u>	<u>Average Step</u>	<u>Divisor</u>
2	1.03	8	1.21
3	1.06	9	1.24
4	1.09	10	1.27
5	1.12	11	1.30
6	1.15	12	1.33
7	1.18		

4. Example: The average step for employees in the grade is step 8. The average salary rate paid in the community for the equivalent grade is \$53,450. Step 1 of the VA grade is set at \$44,174 (\$53,450 divided by 1.21).

NOTE: *There is a drawback to setting VA rates based on average salaries. Over a period of time, the average step for VA employees may fluctuate and impact pay-setting.*

(c) Using Maximum Salaries

1. Use the maximum rate data from the survey to set the maximum rate for the equivalent VA grade. If the VA grade has 12 steps, back down to the step 1 rate by dividing the maximum rate by 1.33. If the VA grade has an approved rate range extension, add an additional .03 to the divisor for each step beyond step 12 in the rate range. This approach may be used even if the resulting minimum VA rate for the grade is set higher than the community minimum rates.

2. Example: The average maximum rate paid in the community for the equivalent grade is \$64,270. If the VA grade has 12 steps, step 1 is set at \$48,323 (\$64,270 divided by 1.33). If the VA grade has 17 steps, step 1 is set at \$43,426 (\$64,270 divided by 1.48).

(d) Using Transaction (Hiring) Rates or Actual Starting Salaries of Incumbents

1. Determine the average step for VA hires during the past 12 months at the grade for which pay is being set.

2. Use the transaction or actual starting salary survey data to set the rate for the step determined in subparagraph 1 above.

3. Back down to the appropriate beginning rate by dividing the average salary rate as shown in the chart in subparagraph (b) above.

4. Example: The average step for VA hires in the grade during the past 12 months is step 5. The average actual starting rate paid in the community for the equivalent grade is \$41,825. Step 1 of the grade is set at \$37,344 (\$41,825 divided by 1.12).

NOTE: *The use of transaction rates or actual starting salaries of incumbents is discouraged due to the difficulty in determining equivalent levels of experience in VA. It is also of limited value if the number of transactions is insufficient to support a reasonable projection.*

(e) **Using Published Minimum Rates or Actual Minimum Rates.** Use the published minimum or actual minimum rates from the survey to set the step 1 rate for the equivalent VA grade.

(f) **Using Salary Survey Data that Match More Than One VA Grade**

1. When it is determined that a surveyed position matches more than one VA grade equally, the available salary data may be used to extrapolate beginning rates for each grade matched.

2. Example: The descriptions of the positions(s) matched equate to both the VA Nurse I and Nurse II grades equally. Mid-point salary data are available. In order to have the mid-point of the two grades reflect the survey data, Step 1 of Nurse I is set by dividing the average mid-point salary rate paid in the community by 1.33. The Step 1 rate of the Nurse II grade is then set based on the minimum differential requirements contained in paragraph 3 of this chapter.

3. Example: The descriptions of the position(s) matched equate to both Nurse I and Nurse II equally. Only maximum salary data are available. Step 1 of the Nurse II grade is set by dividing the average maximum salary rate paid in the community by 1.33 (add .03 to the divisor for each step in an extended rate range). The Step 1 rate of the Nurse I grade is then set by dividing the new Nurse II Step 1 rate by 1.09.

(3)] Some facilities are located in outlying towns and suburbs of a Metropolitan Statistical Area (MSA) or a Primary Metropolitan Statistical Area (PMSA) and are, therefore, included in the same LLMA as facilities in the more urban area of that MSA or PMSA. Directors of such outlying facilities will normally set the beginning rate for each grade [at an amount deemed competitive with the available salary data] of that facility's nearest (geographically) principal competitors (see subparagraph [3b(2)(a)2] of chapter 2 for survey instructions). When submitting a new schedule, the facility Director must provide written documentation of which establishments are the nearest principal competitors and justify decisions to set the rates based on survey information from the more urban establishments. Such decisions will be based on the location of other direct competitors, geographical features of the area, transportation facilities for employees, and commuting patterns of VA employees.

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[(4)] In no instance shall the [] rate of a VA grade, or level in a grade, for which survey data were collected, be adjusted to an amount that exceeds the highest [comparable] rate for corresponding non-VA positions in the LLMA.

[(5)] In Alaska and Hawaii, where the Office of Personnel Management has approved a non-foreign cost-of-living allowance (COLA) under 5 U.S.C. 5941, facility Directors are to set the [] rate of a grade or level so that the sum of [the] rate and the COLA meet the criteria in the above subparagraphs.

[(6)] In no instance shall the beginning rate of a VA grade be reduced.

b. When Non-VA Salary Data are Not Available for [a] Grade or Level of the Grade. If data are not available for [a] grade or level within the grade, facility directors shall [set the beginning rate for that grade using the following options:

(1) Set the beginning rate up to an amount that maintains the existing ratio (percent difference) between that grade and the next higher grade.

(a) Example: The existing Step 1 rate for Nurse II is \$35,752 and the existing Step 1 rate for Nurse III is \$43,179 (a difference/ratio of 1.21). Based on salary survey data, the Step 1 rate for Nurse II is being adjusted to \$38,943. No salary survey data are available for Nurse III. Using this option, the Step 1 rate for Nurse III may be set up to \$47,121 ($38,943 \times 1.21$).

(b) Example: The existing Step 1 rate for Nurse IV is \$57,253 and the existing Step 1 rate for Nurse V is \$78,129 (a difference/ratio of 1.36). Based on salary survey data, the Step 1 rate for Nurse IV is being adjusted to \$61,069. No salary survey data are available for Nurse V. Using this option, the Step 1 rate for Nurse V may be set up to \$83,054 ($61,069 \times 1.36$).

(2)] Continue the existing regular or special rate for the beginning step for [the] grade, [provided the] beginning rates [remain] consistent with the minimum differential [requirements] in paragraph 3.

[(3)] When necessary to recruit or retain well qualified employees, the facility Director may adjust the following:

[(a)] Either the beginning rate for Nurse I or the beginning rate for the levels within Nurse I to provide a three-step differential between them;

[(b)] The beginning rate of Nurse II, Nurse III, Nurse IV, and Nurse V up to the seventh step of the next lower grade; or

[(c)] The beginning rate of Nurse I so that the beginning rate for Nurse II will fall in the range from the fourth through the seventh step of Nurse I.

[c.] **Documentation.** The rationale for determining how the beginning rate for each grade and level in the grade, where appropriate, is set under this paragraph shall be [submitted with approved schedules.]

3. MINIMUM DIFFERENTIALS

a. **Beginning Rates for Grades.** The beginning rate of a grade will be set at least equal to the rate of the step which is one above the beginning step of the highest level of the next lower grade. For example, if Nurse I, Level 3, starts at Nurse I, step 6, then Nurse II, step 1, can be no less than Nurse I, step 7. If there are no levels in the next lower grade, the beginning rate must equal or exceed the fourth step of the next lower grade.

b. **Beginning Rates for Levels in Nurse I.** The beginning step for Level 2 of Nurse I will not be less than step 3. The beginning step for Level 3 of Nurse I will be set at an amount that provides for a minimum two-step differential between the beginning rate of that level and the beginning rate of Nurse I, Level 2.

4. CALCULATING THE REMAINING STEPS

a. **Determining Step Rates Above Step 1.** After step 1 has been determined for each of the five grades, the remaining steps will be calculated as follows:

(1) To determine the Periodic Step Increase (PSI) amount, multiply the step 1 amount by 3 percent and round down to the nearest dollar; e.g., if step 1 is \$32,123, the PSI is $\$32,123 \times .03$ or \$963.69 rounded down to \$963.

(2) By adding the PSI amount to the previous step, the remaining step rates are then calculated, e.g., using the PSI of \$963 above, the step 2 rate would be $\$32,123 + \963 or \$33,086. Unless a greater number of steps is authorized under chapter 4, Exceptions to the 133 Percent Rate Range, each grade on the schedule will have a total of 12 steps.

b. **Software Program.** Following the selection of step 1 and the first step of the level(s) in Nurse I, the software program will automatically calculate the pay schedule as described in the preceding. Printed copies of the schedule can be created by following the instructions in the program.

5. MANDATORY PAY ADJUSTMENT

a. Facility Directors shall adjust the beginning rate of pay for each grade of a covered occupation on the same effective date and by the same percentage as any nationwide GS adjustment under 5 U.S.C. 5303, exclusive of locality comparability payments under 5 U.S.C. 5304. The remaining steps will be calculated in accordance with paragraph 4. Further adjustments will be made if necessary to meet the minimum differential requirements of paragraph 3.

b. Facility Directors may make additional adjustments coincident with a nationwide GS adjustment based on a [VA- or BLS-conducted survey or other third-party] salary survey of corresponding non-VA positions in the local labor market area (LLMA)[]. Such additional adjustments may not exceed the highest [comparable rate] for corresponding non-VA positions in the LLMA.

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CHAPTER 3****6. APPROVAL OF SCHEDULES**

a. Mandatory adjustments will be processed automatically within Central Office concurrent with GS increases. No facility action is required. Revised pay schedules will be made available on the [OHRM website](#).

b. The facility Director will approve all other rates established under this chapter by signing and dating a copy of the schedule. A copy of the approved schedule, [] the survey summary, and documentation listed in paragraph 8 will be forwarded to the [Network] Director (10N) and OHRM (051) immediately after approval.

(1) Pay schedules will be effective the first day of the first pay period after the Director approves the schedule [unless an earlier date is necessary to meet the requirements of paragraph 3b of chapter 1.]

(2) VA Central Office officials will conduct a technical review of the schedules for compliance with the law and policy. Schedules should not be released to covered employees until VA Central Office officials have notified facility officials that the schedules have been reviewed and may be released. This review will have no impact on the effective date of the schedule adjustment, nor on the Director's requirement to make a pay determination within 30 days of [the completion or publication of a survey (see paragraph 3b of chapter 1, this part).]

7. IMPLEMENTATION OF LPS SCHEDULES

a. **When the Beginning Rate for a Grade Remains the Same or Increases.** Employees will receive the rate of pay authorized on the new LPS schedule for their applicable grade and step.

b. **When the Beginning Step for a Level in Nurse I is Increased.** Current employees in the level who fall below the new entry step will be increased to the new minimum. This increase is not considered an equivalent increase in compensation. Employees in the level who are already at the new minimum step will [] be advanced to the next step of the grade; however, this latter increase is considered an equivalent increase in compensation. [Step rates] of employees above the new minimum will not be increased.

c. **When the Beginning Step for a Level in Nurse I is Reduced.** Such a reduction does not affect the step of current employees in the level.

8. DOCUMENTATION. Documentation regarding the above determinations will be retained and made part of the survey file[]. The facility Director will sign the following determinations prior to the effective date of any schedule adjustment:

a. The rationale for establishing the beginning rates of each grade and levels within the grades[];

[b.] A copy of the schedules approved under paragraph 6; and

[c.] The determination that an extended rate range continues to be necessary (see subparagraph 2b of chapter 4).

CHAPTER 4. EXCEPTIONS TO THE 133 PERCENT RATE RANGE**1. GENERAL**

a. Title 38, United States Code (U.S.C.), Section 7451[(c)(1)] provides that rate ranges for each grade under the Locality Pay System (LPS) will normally be 133 percent. It is expected that the 133 percent rate range will meet most staffing needs. However, the rate range of any grade may be increased up to 175 percent if such action is necessary to recruit or retain well qualified employees in covered positions.

b. The range will not be increased if there are more appropriate mechanisms to solve pay-related staffing problems, e.g., establishing pay schedules for a particular specialty within an occupation, use of special salary rates for a particular specialty, or authorizing higher step rates for personnel with specialized skills.

c. Exceptions to the 133 percent rate range will only be approved if failure to approve the exception would significantly impair a facility's ability to recruit and retain well qualified health care personnel and the facility has exhausted all other mechanisms to locally adjust salary rates, e.g., setting the beginning rate [up to the community maximum], if appropriate. []

d. Requests to extend rate ranges may not be based solely on employees receiving pay retention, nor may they be used to circumvent normal operation of the LPS.

2. FACILITY DIRECTOR RESPONSIBILITIES

a. Identifying the need for and approving exceptions for Nurse I (see paragraph 5) or requesting exceptions for all other nurse grades (see paragraph 6);

b. Reviewing existing rate range extensions on the date of any schedule adjustment and documenting the need to continue the extension;

c. Reducing or canceling previously approved exceptions when they determine the exceptions are no longer warranted, and notifying the appropriate VISN Director (10N__/051) of the reasons for reduction or cancellation; and

d. Coordinating approvals or requests for exceptions and decisions to reduce or cancel previously approved exceptions with VA facilities located in the same or overlapping LLMA.

3. CRITERIA FOR APPROVAL. Each facility approving a rate range extension for Nurse I under paragraph 5 or submitting a request for a rate range extension for any other nurse grade under paragraph 6 must exhibit some of the following staffing problems, specific to the grade for which the extension is being requested, and show that these problems are related to higher rates for corresponding non-VA positions in the LLMA. The percentages provided below are simple guidelines and not requirements. The facility should provide as much information as possible to demonstrate the overall recruitment and retention situation to the approving official.

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- a. **Vacancy Rate.** The facility exhibits a high vacancy rate at the end of the reporting period (e.g., 20 percent or more, or positions vacant 6 months or more);
- b. **Composition of Occupation.** The overall composition of employees within the occupation or specialty is unfavorable, i.e., there is not an acceptable mix of employees of various experience or educational levels at the facility;
- c. **Quits for Pay.** The facility has evidence of a high annual quit for pay rate (e.g., 25 percent or more), and/or a large percent of employees who quit for pay were in the upper third of the rate range;
- d. **Higher Maximum Rates in the LLMA.** There is anecdotal information that the maximum rates in the community are higher than VA, and that employees are either quitting for pay or the potential exists for an adverse impact on patient care (e.g., there are a significant number of experienced nurses at the top of the grade or on pay retention and they are receiving firm job offers in the community);
- e. **Quality of Candidates.** Historical evidence indicates that the quality of candidates is unacceptable because higher pay rates are being offered for corresponding positions in the LLMA;
- f. **Alternative Job Offers.** There is evidence that applicants and employees are being offered higher rates of pay for corresponding positions in the LLMA;
- g. **Staffing Success Rate.** The facility has a low staffing success rate (e.g., 50 percent or less, or positions vacant 6 months or more) in a particular grade, especially in assignments at higher levels within the grades;
- h. **Job Acceptance Rate.** The facility has a low job acceptance rate (e.g., 50 percent or less, or positions vacant 6 months or more) in a particular grade, especially in assignments in higher levels of the grades;
- i. **Turnover.** The facility has a high annual turnover rate (e.g., 10 to 30 percent) in a particular grade, and/or a significant number of the employees who are leaving are in the upper third of the rate range; and
- j. **Other Criteria.** The facility may submit any other evidence of pay-related staffing problems which seriously hamper or have the potential to seriously hamper its ability to recruit and retain employees in covered positions.

4. DETERMINING THE RATE RANGE AND BEGINNING STEP FOR UPPER LEVELS IN THE GRADE

- a. **Rate Range.** To determine what range to approve under paragraph 5 or request under paragraph 6, facility Directors shall consider the factors in paragraph 3 and any anecdotal information relative to rates for corresponding positions in the LLMA.

b. **Appropriate Beginning Step for Employees in Upper Levels Within the Grade.** The beginning step for higher levels within the grade, where appropriate, will be set in accordance with procedures in chapter 3, Salary Schedule Construction and Implementation. The beginning step for these levels may not be adjusted simply as a result of extending a rate range.

5. APPROVING EXCEPTIONS AT NURSE I

a. Facility Directors may authorize extension of the 133 percent rate range for the Nurse I grade up to a step rate that is within no more than 6 percent of the maximum rate in the Nurse II rate range. For example, if the Nurse II maximum rate is \$55,766, the Director may extend the Nurse I rate range up to a step rate not exceeding \$52,520 (\$55,766 less 6 percent). This approval authority is limited to instances where there is evidence that the existing maximum rates in the Nurse I rate range are hampering the facility's staffing abilities. Such evidence may include declinations of job offers from Associate Degree Nurses for pay reasons or any of the criteria listed in paragraph 3.

b. Locally approved extensions of the Nurse I rate range must be reported to the Human Resources Management Programs and Policies Service (051) for review prior to implementation. Submissions must include the revised LPS salary schedule and a memorandum containing narrative justification that addresses the criteria for approval. Extensions will be effective the first day of the first pay period after the Director approves the new pay schedule. Instructions for placing on-board employees on the extended rate range are contained in paragraph 7.

6. REQUESTING EXCEPTIONS AT NURSE II THROUGH NURSE V. Requests for exceptions to the rate range will be sent to the appropriate Network Director (10N__) through the Office Human Resources Management (051), which will review each request and make appropriate recommendations to the Network Director. Requests shall include the following:

- a. The occupation or specialty within an occupation for which the exception is requested, as well as the specific grade or grades affected;
- b. A copy of the proposed locality pay schedule;
- c. The reasons for the request, including documentation specific to the applicable grade in support of the criteria in paragraph 3; and
- d. Any other pertinent information.

7. EFFECTING EXCEPTIONS

a. When an exception is approved, employees normally will be placed in the same step on the expanded rate range as they occupied on the former rate range. However, an employee who was at the maximum step of the former rate range for more than the required waiting period for a Periodic Step Increase (PSI) will be advanced to the next higher step on the extended rate range. This will be an equivalent increase and the employee will begin a new waiting period for PSI purposes.

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b. Employees on pay retention based on the rate range in effect prior to extension normally will be placed in the first step of the extended rate range which equals or exceeds their retained rate of pay. If the employee was on pay retention for longer than the normal PSI waiting period, the employee is advanced in the same manner as the employee in subparagraph 7a.

8. REDUCTION OR CANCELLATION OF EXCEPTIONS TO THE 133 PERCENT RATE RANGE

a. When a facility Director reduces or cancels an exception under this chapter, current employees will be placed on the new rate range as follows:

(1) Employees whose step prior to the reduction or cancellation continues on the new rate range will remain in that step;

(2) Employees whose step prior to the reduction or cancellation is not in the new rate range will be placed in the new maximum step of the grade. The employee will receive either the rate for the maximum step or be eligible for pay retention under part III, chapter 6, paragraph 6, whichever is greater.

b. Facility Directors will report any reductions or cancellations of previously approved exceptions to the appropriate Network Director (10N__ /051).

CHAPTER 5. VHA CENTRAL OFFICE AND VISN OFFICE NURSE PAY

1. COVERAGE. Nurses and nurse anesthetists appointed under Title 38, United States Code (U.S.C.), Section 7306, 7401(1), or 7405 serving in the Veterans Health Administration (VHA) Central Office or in a Veterans Integrated Service Network (VISN) Office.

2. ESTABLISHING PAY RATES FOR CHIEF CONSULTANT, NURSING STRATEGIC HEALTHCARE GROUP AND THE DIRECTOR, NURSING SERVICE

a. **Grades and Pay Schedules.** Each of these positions will be paid [rates] established by the Under Secretary for Health.

b. **Mandatory Pay Adjustment.** The Under Secretary shall adjust the beginning rate of pay for the Chief Consultant, Nursing Strategic Healthcare Group and the Director, Nursing Service (DNS) on the same effective date and by the same percentage as any nationwide GS adjustment under 5 U.S.C. 5303, exclusive of locality comparability payments under 5 U.S.C. 5304.

c. **Scheduling Pay Rate Reviews.** After the first pay period in January and before the second pay period in March, the Under Secretary will review the rates of the Chief Consultant, Nursing Strategic Healthcare Group and DNS and decide if further adjustments are warranted based on January adjustments made to other Locality Pay System (LPS) schedules. The Under Secretary may conduct additional reviews and make schedule adjustments whenever warranted for recruitment or retention.

d. **Conducting Pay Rate Reviews.** To assist the Under Secretary in making the determination whether pay rates for the Chief Consultant, Nursing Strategic Healthcare Group and DNS should be adjusted at times other than coincident with a GS adjustment, the Office of Human Resources Management (OHRM) will prepare a summary report. OHRM will forward the report and its recommendation for establishing rates to the Under Secretary for approval through appropriate VHA channels. The summary report will contain the following:

- (1) The minimum, maximum, and average beginning rates for the Nurse V grade VA-wide;
- (2) The local beginning rate and range of survey data (minimum, maximum, average) for the Nurse V grade;
- (3) Local cost-of-living and employment cost index information; and
- (4) Staffing data for these positions.

[NOTE: *If the existing pay rates of the Chief Consultant, Nursing Strategic Healthcare Group and DNS are equivalent to the Level V pay cap, the rate review and summary report discussed in subparagraphs c and d above are not required.*]

e. **Approval.** After reviewing the above information, the Under Secretary will establish beginning rates of pay for each position. The Under Secretary's decision to adjust the pay schedules for covered

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positions will be final. Any pay adjustments will be effective on the first day of the pay period following the Under Secretary's approval. Pay schedule determinations will be returned to Central Office Human Resources Service (035) for necessary processing before the effective date of the adjustment.

3. OTHER VHA CENTRAL OFFICE NURSES. For other nurses in VHA Central Office, the Under Secretary will establish beginning rates of pay using the procedures in chapter 3, Salary Schedule Construction and Implementation. [T]he Central Office Human Resources Service (035) will coordinate with officials at the Washington VA Medical Center the [purchase or use of BLS or other third-party salary survey data under paragraph 4c or d of chapter 1], timing and frequency of [VA-conducted] surveys [under chapter 2], selection of establishments to be surveyed, appointment of data collectors, collection of data, construction of pay schedules, and maintenance of records (par. [8] of chapter 1).

4. VISN OFFICE NURSES. For nurses assigned to a network office, each Network Director will establish beginning rates of pay using the procedures in chapter 3. [T]he VISN Human Resources Coordinator will coordinate with officials at the local servicing VA medical center the [purchase or use of BLS or other third-party salary survey data under paragraph 4c or d of chapter 1], timing and frequency of [VA-conducted] surveys [under chapter 2], selection of establishments to be surveyed, appointment of data collectors, collection of data, construction of pay schedules, and maintenance of records (par. [8] of chapter 1).

5. PAY ADMINISTRATION

a. **Executive Differential.** In addition to the basic rate of pay authorized in this chapter, the Deputy Director for Nursing Programs will receive a two-step executive differential. The differential may not allow the nurse to exceed the maximum rate of the grade, but it is considered basic pay for premium pay, lump-sum annual leave payments, retirement, work injury compensation, life and health insurance, and severance pay.

b. **Subsequent Schedule Adjustments.** Covered employees will receive the rate of pay for the corresponding grade and step on the new pay schedule.

6. RATE RANGE EXTENSIONS. The Under Secretary for Health and each Network Director, respectively, may extend the rate range for any grade on Central Office or VISN office schedules based on the criteria in chapter 4, Exceptions to the 133 Percent Rate Range. All exceptions to the 133 percent rate range must be submitted through OHRM (051) for concurrence.

CHAPTER 6. RATES OF PAY FOR SAN JUAN AND MANILA

1. SCOPE. This chapter contains procedures which will be used to set rates of pay under the Locality Pay System (LPS) for employees of facilities located outside of the contiguous United States, Alaska, and Hawaii. Currently, this includes nurses and nurse anesthetists employed at San Juan, Manila, and their associated outpatient clinics, and the Guam outpatient clinic.

2. PAY SETTING PROCEDURES. Most of the provisions of this [part] will apply to covered employees. However, the rates of pay for these employees will be adjusted under the provisions of this chapter rather than those contained in [paragraph 4c or d of chapter 1 or] chapter 2, [VA-Conducted] Surveys.

3. REVIEW OF BEGINNING PAY RATES AND SCHEDULES

a. **Mandatory Pay Adjustment.** Facility Directors shall adjust the beginning rate of pay for each grade of a covered occupation on the same effective date and by the same percentage as any nationwide GS adjustment under 5 U.S.C. 5303, exclusive of locality comparability payments under 5 U.S.C. 5304. Mandatory adjustments will be processed automatically within Central Office concurrent with GS increases. No facility action is required. Revised pay schedules will be made available on the [OHRM website](#).

b. Other Schedule Adjustments

(1) Facility Directors may submit a request for an adjustment to the beginning rates of the schedules at any time that an increase is supported by documented recruitment and/or retention problems. Such adjustments will be approved by the appropriate [Network] Director. Requests will be submitted to the appropriate [Network] Director (10N__/051), through OHRM. Requests shall include the following:

(a) A copy of the proposed schedule, including the beginning rates for levels in Nurse I;

(b) The reasons for the adjustment. The need for, and the amount of, any increase to the beginning rates of pay for covered facilities must be supported by evidence of pay-related recruitment and retention difficulties or potential difficulties, such as increases in quits-for-pay, vacancy, turnover, and alternative-job-offer rates, and decreases in staffing success rates.

(2) Pay adjustments and revised schedules approved by the appropriate [Network] Director will be effective the first day of the first pay period following the [Network] Director's approval.

4. RATE RANGE EXTENSIONS. Facility Directors may approve rate range extensions at Nurse I or request rate range extensions at Nurse II through Nurse V in accordance with the criteria contained in chapter 4, Exceptions to the 133 Percent Rate Range. Requests must be submitted to the Network Director (10N__/051) through OHRM.

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CHAPTER 6****5. SALARY SCHEDULE CONSTRUCTION AT NEW LOCATIONS OR WHEN COVERED POSITIONS ARE RE-ESTABLISHED AT EXISTING LOCATIONS.**

There may be instances when covered positions, i.e., nurses or nurse anesthetists, are authorized for the first time at a new location or reauthorized at an existing location outside of the contiguous United States. In these situations, the procedures in this paragraph are to be followed in establishing a locality pay schedule.

a. **Salary Data Available.** If non-Department of Veterans Affairs (VA) salary data is available for all grades and levels in Nurse I or data exists for a grade or for a level in Nurse I, salary schedules must be established in accordance with the procedures in chapter 3, Salary Schedule Construction and Implementation.

b. **Salary Data Not Available.** If non-VA salary data is not available for any grade or level of the grade, the facility Director shall use the national eight-grade nurse schedule for Physician Assistants and Expanded Function Dental Auxiliaries to construct the five-grade LPS schedule as shown below. Rates may be adjusted as necessary to meet the minimum differential requirements in paragraph 3 of chapter 3.

(1) **Nurse I.** Nurse I will contain three levels. The beginning rate for Nurse I, Level 1, will be the rate of Junior grade, step 1. The beginning rate for Nurse I, Level 2, will be the first step that equals or exceeds the rate of Associate grade, step 1. The beginning rate for Nurse I, Level 3, will be the first step that equals or exceeds the rate of full grade, step 1.

(2) **Nurse II.** Nurse II will not be divided into levels. The beginning rate will be the rate of Intermediate grade, step 1.

(3) **Nurse III.** Nurse III will not be divided into levels. The beginning rate will be the rate of Senior grade, step 1.

(4) **Nurse IV.** Nurse IV will not be divided into levels. The beginning rate for Nurse IV will be the rate of Chief grade, step 1.

(5) **Nurse V.** Nurse V will not be divided into levels. The beginning rate for Nurse V will be the rate of Assistant Director grade, step 1.

c. **On-going Procedures.** Once LPS schedules have been established under the provisions of this paragraph, the remaining procedures for salary adjustments in this chapter will apply and the remaining provisions of this [part] where appropriate.

APPENDIX A. DEFINITIONS

1. Above-Minimum Entrance Rate. Above-minimum entrance rate is an increase in the minimum rate of basic pay for a grade with no corresponding increase in higher intermediate rates or in the maximum rate of pay for that grade. Above-minimum entrance rates are authorized under 38 U.S.C. 7455.

2. Advancement. The term “advancement” means periodic step increases, Special Advancements for Achievement, Special Advancements for Performance, additional steps received for being in a head nurse assignment or an assignment requiring specialized skills, and steps granted to an employee based on the employee's attaining qualifications necessary to advance to a higher level within the grade. Advancement to a higher level within the grade based on additional qualifications is applicable to nurses and nurse anesthetists in Nurse I.

3. Average On-Board. Average on-board means the sum of the total full-time equivalent employees (FTE) in the occupation or specialty on the facility's rolls on the beginning and ending dates of the reporting period divided by 2.

4. Bureau of Labor Statistics (BLS). BLS is the United States Department of Labor bureau responsible for collecting, processing, analyzing, and disseminating data related to employment, unemployment, and other characteristics of the labor market.

5. Ceiling. Ceiling is the FTE of filled and vacant positions allocated to an occupation or specialty by local management officials as of the beginning or ending date of a reporting period.

6. Certainty Establishment. A Certainty Establishment is an establishment selected to be surveyed because it significantly affects a Department of Veterans Affairs (VA) facility's ability to recruit and retain employees in the occupation to be surveyed.

7. Corresponding Positions. Corresponding positions are positions in non-Department health care facilities for which the education, training, and experience requirements are equivalent or similar to the education, training, and experience requirements for positions covered by this [part].

[8. Commuting Area. The geographic area that is normally considered one area for employment. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work.

9.] Days. The term “days” means calendar days.

[10.] Equivalent Increase. An equivalent increase is an increase or increases in an employee's rate of basic pay equal to or greater than the amount of a step increase in the employee's grade. Receipt of an equivalent increase causes the employee to begin a new waiting period for the next periodic step increase (PSI). The following are not considered equivalent increases:

- a. General basic pay increases under the Locality Pay System (LPS);

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- b. Special advancements for achievement or performance;
- c. Increases resulting from adjusting employees to the new minimum step for a higher level in Nurse I;
- d. Increases resulting from the approval of special salary rates;
- e. Higher rates of pay received by head nurses or employees with specialized skills; and
- f. Cash awards.

[11.] Establishment

- a. Except as noted in the following, an establishment is a non-VA medical center, independent outpatient clinic or an independent domiciliary facility, either in the private or public sector, with 50 or more employees, whose primary function is to provide diagnostic and therapeutic medical, psychiatric, surgical, or specialty services for particular medical conditions.
- b. For the purposes of surveys for nurse anesthetists conducted under paragraph [8] of chapter 2, Surveying Nurse Anesthetist Contractors, an establishment would also include organizations that provide anesthesia services on a contract basis through registered nurse anesthetists.

[12.] Federal Wage System (FWS) Survey Area. FWS survey areas are geographic areas (a group of counties, townships, and/or independent cities) in which FWS surveys are conducted. FWS survey areas are established by the Office of Personnel Management (OPM) and published in the OPM Operating Manual, Federal Wage System.

[13.] FTE. FTE is full-time equivalent employees.

[14.] Gains. For an occupation or specialty, gains is the total FTE of placements in the occupation or specialty, either from internal or external sources, during the reporting period.

[15.] General Schedule (GS) Adjustment. A GS adjustment is an adjustment to the national schedule of rates of basic pay exclusive of any locality-based pay adjustments.

[16.] Grade. Unless otherwise specified, an LPS grade, Nurse I, Nurse II, Nurse III, Nurse IV, and Nurse V.

[17.] Head Nurse. A head nurse is a registered nurse who is the first line supervisor for a designated nursing unit or ward and who is responsible for the management of nursing care and nursing personnel.

[18.] Highest Previous Step. For former employees who have served under LPS, the highest previous step is the current equivalent of the highest step formerly earned. The highest step for former employees who have not served under the LPS is determined under part II, chapter 2, paragraph 1a(9)(c). Also see part II, chapter 2, paragraph 1a(9)(d) for restrictions on making highest previous step determinations.

[19.] **Job Acceptance Rate.** The job acceptance rate is the gains divided by job offers.

[20.] **Job Offers.** Job offers are the FTE of offers of employment in the occupation or specialty during the reporting period made to internal and external candidates.

[21.] **Level.** For Nurse I for registered nurses and nurse anesthetists, the grade recognizes employees with higher qualifications. Employees in a higher level in the grade are placed at or above the first step of the level based on the possession of these higher qualifications.

[22.] **Local Labor Market Area (LLMA).** The LLMA is the geographic area in which LPS surveys are conducted.

[23.] **Locality Pay Schedule.** The Locality Pay Schedule is a pay schedule established [based on] a survey of pay rates for corresponding non-VA health care positions in the LLMA[]. Locality pay schedules will be constructed using chapter 3, Salary Schedule Construction and Implementation, and may be established for any covered occupation, or any specialty, assignment and/or category of assignments within the covered occupation (e.g., nurse anesthetist, RN, operating room nurse, critical care nurse, administrative nurse (except head nurse), nurse practitioner, clinical nurse specialist).

[24.] **Losses.** In an occupation or specialty, the FTE of losses during the reporting period, for any reason, which resulted in a recruitment action except reduction in ceiling is termed "losses."

[25.] **Metropolitan Statistical Area (MSA).** For a definition and list of MSAs, refer to the most current Statistical Abstract of the United States which is published annually by the United States Department of Commerce.

[26.] **Nurse.** An RN who meets the basic requirements for appointment under the qualification standard in VA [Handbook 5005]. This includes the Chief Consultant, Nursing Strategic Healthcare Group, the Director, Nursing Service, and VHA Central Office or VISN Nurses, but does not include nurse anesthetists.

[27.] **Nurse Anesthetist.** A Nurse Anesthetist is an individual who meets the basic requirements for appointment under the qualification standard in VA Handbook 5005.

[28.] **Nurse Executive.** A nurse executive is the Chief of Nursing Service or equivalent position that represents the highest ranking nurse management position at a facility.

[29.] **On-Board.** On-board means the total FTE of employees in the occupation or specialty on the facility's rolls on the beginning or ending date of the reporting period.

[30.] **Periodic Step Increase (PSI).** PSI is an advancement from a step of a grade to the next higher step of that grade based upon completing the required waiting period (see part III, chapter 5, paragraph 1c) and meeting the criteria for advancement in VA Handbook 5005.

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[31.] **Quits for Pay.** The FTE of employees in the occupation or specialty who voluntarily resigned for pay reasons during the reporting period. A quit for pay only occurs when the employee resigns to take a higher rate of pay for a corresponding non-VA position in the same LLMA.

[32.] **Quit for Pay Rate (Annual).** Divide quits for pay by the average on-board to determine the quit for pay rate for the reporting period. Multiplying this figure by the quotient of 12 divided by the number of months in the reporting period will provide the annual quit for pay rate.

[33.] **Special Salary Rate.** A special salary rate is a step on a special salary rate range.

[34.] **Special Salary Rate Range.** An increase in the minimum, intermediate, and maximum rates of basic pay for a grade, i.e., an increase in all step rates for the grade. A special salary rate range may be authorized under 5 U.S.C. 5303 or 38 U.S.C. 7455.

[35.] **Staffing Success Rate.** The gains divided by tried to fill (see item 41).

[36.] **State.** Any State, Territory or Commonwealth of the United States (i.e., Puerto Rico), and the District of Columbia.

[37.] **Survey Establishment.** An establishment in the LLMA that is selected to be surveyed.

[38.] **Survey Sample.** All establishments selected for survey in an LLMA.

[39.] **Survey Summary.** A report of the results of a survey.

[40.] **Survey Universe.** All establishments in the LLMA.

[41.] **Tried to Fill.** The FTE of positions in the occupation or specialty the facility tried to fill during the reporting period. It consists of the FTE of vacancies at the beginning of the reporting period, plus losses, plus or minus any ceiling changes during the reporting period.

[42.] **Turnover Rate (Annual).** Divide losses by the average on-board to determine turnover rate for the reporting period. Multiplying this figure by the quotient of 12 divided by the number of months in the reporting period will provide the annual turnover rate.

[43.] **Vacancy Rate (Beginning).** The FTE of vacancies in the occupation or specialty at the beginning of the reporting period divided by the ceiling for the occupation or specialty at the beginning of the reporting period.

[44.] **Vacancy Rate (Ending).** The FTE of vacancies in the occupation or specialty at the end of the reporting period divided by the ceiling for the occupation or specialty at the end of the reporting period.

APPENDIX B. ANNUAL REPORT ON STAFFING

In accordance with the reporting requirements established by Section 201 of P.L. 106-419, facility Directors are required to submit an annual report on staffing for registered nurse (RN) and nurse anesthetist positions. Reports must be submitted to the Office of Human Resources Management (051) no later than July 31 each year. Separate reports will be submitted for RNs and nurse anesthetists, as well as for any category for which a specialty schedule has been established.

FACILITY NAME:

FACILITY NUMBER:

POSITION TITLE:

PAY SCHEDULE NO.: N____

OTHER (Specify):

CONTACT PERSON:

VISN:

CONTACT NUMBER:

1. STAFFING DATA for *Nxxx (auto-fill from above)

a. Provide turnover and vacancy rates for the occupation or specialty for the one-year period ending June 30 of the current year and the preceding three years. The turnover rate will be calculated by dividing the losses by the average number on-board. The vacancy rate will be calculated by dividing the vacancies at the end of the reporting period by the authorized ceiling.

	[6/30/02	6/30/01	6/30/00	6/30/99]
Turnover Rate:	____.____%	____.____%	____.____%	____.____%
Vacancy Rate:	____.____%	____.____%	____.____%	____.____%

b. Provide the following information for the occupation or specialty for the one-year period ending June 30 of the current year.

Number of Losses: ____ Number of Vacancies: ____ Authorized Ceiling: ____

c. Please check all recruitment efforts used in the past year, and indicate the number of times each was used.

<input type="checkbox"/> Newspaper Ads	____ times	<input type="checkbox"/> Internal	____ times
<input type="checkbox"/> Job Fairs	____ times	<input type="checkbox"/> VA Careers.com	____ times
<input type="checkbox"/> Journal Ads	____ times	<input type="checkbox"/> Other Internet sites	____ times
<input type="checkbox"/> Posting of vacancy announcement at schools of nursing	____ times	<input type="checkbox"/> Other: _____	____ times
		<input type="checkbox"/> No recruitment conducted	

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d. What was the average duration of vacancies for positions paid **from *Nxxx [auto-fill]** during the past year?

- ☐ 0-3 months ☐ 4-6 months ☐ 7-9 months ☐ 10-12 months
☐ 13 or more months ☐ not applicable

e. Please check all of the following pay incentives that have been offered within the occupation or specialty in the past year by indicating the frequency used.

- | | | | |
|---|-------------------------------------|---------------------------------------|---------------------------------|
| Recruitment Bonus: | <input type="checkbox"/> Frequently | <input type="checkbox"/> Occasionally | <input type="checkbox"/> Rarely |
| Relocation Bonus: | <input type="checkbox"/> Frequently | <input type="checkbox"/> Occasionally | <input type="checkbox"/> Rarely |
| Retention Allowance: | <input type="checkbox"/> Frequently | <input type="checkbox"/> Occasionally | <input type="checkbox"/> Rarely |
| Higher Rates for
Specialized Skills: | <input type="checkbox"/> Frequently | <input type="checkbox"/> Occasionally | <input type="checkbox"/> Rarely |

2. DIRECTOR'S FINDINGS CONCERNING THE STAFFING SITUATION for *Nxxx [auto-fill]

a. Positions in the occupation or specialty that meet at least three of the following criteria are considered to be experiencing, or likely to experience, a significant pay-related staffing problem for the purpose of determining whether a salary survey must be conducted. Please check all that apply to the occupation or specialty:

- ☐ A 5 percent increase* in turnover since June 30 of the prior year.
☐ A significant number of losses since June 30 of the prior year were quits for pay.
☐ A 10 percent increase* in the vacancy rate since June 30 of the prior year.
☐ Positions remain vacant for 6 months or more despite active recruitment.
☐ Positions have been abolished due to recruitment difficulty.
☐ Any other criteria deemed appropriate by the facility Director. Define the criteria in the narrative section at the end of this report.

***NOTE:** *The increase in turnover and vacancy rates will be calculated by subtracting the previous rate from the current rate (e.g., a change from 10% to 12% is a 2% increase; a change from 8% to 13% is a 5% increase).*

b. Based on the criteria in 2a above, is there currently, or is there likely to be a significant pay-related staffing problem for the occupation or specialty? (If 3 or more boxes in 2a are checked, you MUST answer Yes)

- ☐ YES ☐ NO

c. Has a salary survey been conducted during the reporting period (or will one be conducted)?

☐ YES

☐ NO

d. If a salary survey has been conducted or is planned, please indicate the time frame for that survey. Check all that apply.

☐ Survey conducted within past 3 months

☐ Survey conducted more than 3 months ago

☐ Survey currently being conducted

☐ Survey will be conducted within next 3 months

e. If there is a staffing problem for this occupation or specialty and no survey has been or will be conducted, please explain why a survey will not be conducted.

f. Indicate the types of salary surveys conducted for the occupation or specialty since June 30 of the previous year and the number of times each was conducted. For third-party surveys, indicate the number of times the surveys were reviewed for possible pay adjustments.

☐ BLS Survey __ __ times

☐ Other Third-Party Survey __ __ times

☐ VA-Conducted Survey __ __ times

g. Indicate the action taken based on each survey as well as the reasons for taking (or not taking) such actions. (An additional page of this report will be created for each survey conducted. You must report the results of each survey.)

Action Taken **for *Nxxx [auto-fill]** (check only 1):

☐ Beginning rates for all grades increased

☐ Beginning rates for some grades increased

☐ Beginning rates for all grades remained the same

Reasons: (check all that apply)

☐ To become or remain competitive with rates paid by non-VA employers.

☐ Increase given at one or more grades to improve staffing abilities.

☐ No increase given at one or more grades because survey results were not sufficient to make a pay-setting determination.

☐ No increase given at one or more grades because survey data was not representative of the rates paid in the community.

☐ No increase given at one or more grades because existing rates are higher than survey results and an increase would make VA the community pay leader.

☐ Other Reasons or Comments.

Other Comments/Additional Information:

APPENDIX C.

[] LOCALITY PAY SYSTEM DATA COLLECTION FORM AND INSTRUCTIONS

OMB Approval Number: 2900-0519
Estimated burden: 45 minutes

Department of Veterans Affairs			
LOCALITY PAY SYSTEM FOR NURSES AND OTHER HEALTH CARE PERSONNEL DATA COLLECTION AND INSTRUCTIONS			
The Paperwork Reduction Act of 1995 requires us to notify you that this information collection is in accordance with the clearance requirements of section 3507 of the Paperwork Reduction Act of 1995. We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a valid OMB number. We anticipate that the time expended by all individuals who must complete this form will average 45 minutes. This includes the time it will take to read instructions, gather the necessary facts and fill out the form. The purpose of this data collection is to assure that VA nurses are paid an equitable salary.			
SECTION I - GENERAL INFORMATION			
1a. NAME OF ESTABLISHMENT		1b. ADDRESS (Number and Street)	
3. CONTACT PERSON		4a. PHONE	
5. DATE OF CONTACT		6. SURVEY OCCUPATION OR SPECIALTY	
8. SALARY INCREASES Month increases are normally effective:		9. NUMBER OF HOURS IN NORMAL WORKWEEK OF OCCUPATION OR SPECIALTY SURVEYED:	
7. TOTAL EMPLOYMENT FTEE Occupation or Specialty FTEE			
SECTION II - SALARY DATA			
SURVEY JOB (GRADE/LEVEL)	ESTABLISHED JOB (TITLE/GRADE)	RATE OF PAY	TYPE
SECTION III - BONUS PAY			
Description of Bonus Program and Amount Paid:			
SECTION IV - PREMIUM PAY FOR THE OCCUPATION OR SPECIALTY BEING SURVEYED			
1. Establishment's current overtime Rate:		2. Establishment's current shift differential:	
3) List Establishments differential for:			
Daily	Weekly	PM	Night
Saturday	Sunday	Holiday	
4. Does your establishment provide for stand-by/on-call premium pay? (Circle one) YES NO If yes, please provide description of premium pay practices and method of calculating payments:			
REMARKS (Attach salary table and establishment job descriptions, or prepare summary job description - continue on blank sheet if necessary)			
[NOTE: This form is provided for illustrative purposes only. The form may be accessed on the OHRM website .]			
SECTION V - DATA COLLECTOR(S)			
SIGNATURE AND TITLE		DATE	
SIGNATURE AND TITLE		DATE	

VA FORM
MAR 2002

10-0132

**PART X
APPENDIX C****INSTRUCTIONS FOR DATA COLLECTORS****SECTION I - GENERAL INFORMATION**

1. **Establishment name and address:** Enter establishment name and address. Include zip code.

2. **County/township/independent city:** Enter the county/township/independent city where the establishment is located.

3. **Name and Title of Person Interviewed:** Enter the name and title of the establishment official(s) who furnished the data.

4. **Phone:** Enter the phone number of the person interviewed. Include extension.

5. **Date of Contact:** Actual date that establishment was contacted for this survey.

6. **Survey Occupation or Specialty:** Enter occupation or specialty being surveyed.

7. **Establishment employment:** Enter total number of full-time equivalent employees (FTEE) in the establishment. For the occupation or specialty being surveyed, enter the total FTEE employed by the establishment in that occupation.

8. **Month General Increases Normally Effective:** Enter the month that general increases are normally effected for this occupation or specialty at the establishment. If increases are given more than once a year, indicate the most recent month of adjustment and explain other increases under remarks.

Salary Increase Information: Enter information on effective date and percent of increases granted within the last 12 months and any increases that are expected within the next year.

9. **Number Hours in Normal Workweek for the Surveyed Occupation or Specialty:** Enter number of hours in the normal workweek. Note under remarks any scheduling practices such as Baylor Plan (registered nurses) or compressed workweek.

SECTION II - SALARY DATA

Enter the title and grade of the survey job and the title and grade of establishment's job. Also enter the salaries paid by the establishment for an employee whose experience and education is comparable to the survey job description and indicate what type of data is being reported (e.g., minimum beginning rate, maximum rate in a range, average, mid-point, etc.).

SECTION III - BONUS PAY

Document the following information: Description of the plan and how bonus payments are determined; amount of bonus paid; and when bonuses are paid.

SECTION IV- PREMIUM PAY FOR THE OCCUPATION BEING SURVEYED

Enter requested information to be used to authorize additional pay under Title 38 United States Code (U.S.C.) 7453(j) and MP-5, part II, chapter 3.

SECTION V - REMARKS

Additional information or further explanation that may be necessary for preceding items.

APPENDIX D. SURVEY JOB STATEMENTS

1. REGISTERED NURSE

a. Nurse I

Level 1. [Delivers fundamental knowledge-based nursing care to assigned patients while developing technical competencies.

Education/Experience: Diploma or an associate degree (AD) in nursing from a school approved by the State accrediting agency. No professional nursing experience.

Performance:

- Basic care responsibilities
- Work with close supervision
- Works as a team member, provides care to assigned patients
- Does not supervise others

Sample job titles: staff nurse, team member

Level 2. Provides nursing care as primary care nurse or team leader providing care to patients with basic and complex needs. Directs/supervises others who provide care.

Education/Experience: AD or diploma plus one-year experience or Bachelor of Science in Nursing (BSN) and no experience.

Performance:

- Progresses from team member to primary nurse/team leader
- Provides care to patients with simple and complex needs
- Works with general supervision
- Assumes accountability for limited leadership roles
- Directs and supervises others who provide care

Sample job titles: staff nurse, team leader, primary care nurse, care manger

Level 3. Demonstrates proficiency in practice based on conscious, deliberate planning. Self-directed in goal setting for managing complex patients.

Education/Experience: AD or diploma and approximately 2–3 years of experience or a BSN and approximately 1-2 years of experience; or a master's degree in nursing or a related field and no experience.

Performance:

- Beginning leadership responsibilities; functions as a team leader/charge nurse
- Applies clinical knowledge to plan and deliver care to patients with complex needs
- Supervise team members
- Works independently with occasional direction/supervision in clinical, education, quality management research or other practice areas
- Provides feedback regulating the practice of others who provide care
- Assumes responsibility and accountability as a charge nurse

Sample job titles: staff nurse, team leader, charge nurse, clinical nurse, care manager, instructor, research nurse, etc.

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b. **Nurse II.** Functions in complex clinical settings, makes clinical decisions for individuals or groups.

Education/Experience: BSN plus two years experience or master's with one-year experience.

Performance:

- Assigns work as charge nurse or team leader, serves as preceptor to less experienced staff
- Responsible as a charge nurse for guiding and appraising the performance of others

Sample job titles: staff nurse, primary nurse, team leader, charge nurse, nurse manager, care manager, case manager, instructor, research nurse, etc.

c. **Nurse III.** Expert nurse in clinical, education, research, quality improvement or other leadership role. Provides leadership in the application of the nursing process, improving outcomes at the program or service level.

Education/Experience: Master's degree in nursing or related field with 2-3 years of experience.

Performance:

- Functions as nurse coordinator and leader on multidisciplinary teams
- Works independently and supervises others; acts as a resource for others
- Wide range of responsibility for nursing outcomes at service or program level

Sample job titles: clinical nurse specialist, nurse practitioner, nurse manager, case manager, head nurse, research nurse, instructor, quality management nurse, clinic director, patient care manager, service or program director.

d. **Nurse IV.** Executes leadership that is characterized by substantial and continuous responsibility and accountability for population groups or integrated programs that cross service and/or discipline lines and influence organizational mission and health care.

Education/Experience: Master's degree in nursing or related field and approximately 4 to 5 years of progressively responsible professional nursing practice; or doctoral degree in nursing or related field and 4-5 years of professional nursing practice

Performance:

- Responsibility encompasses more than one level of care (acute, ambulatory, long term) and requires innovation and leadership in professional health related programs at the local level.
- 24-hour responsibility for management of nursing service for a group of clinical services, planning and supervision of patient care, management of nursing and support personnel.
- Serves as mentor to various levels of staff.
- Typically responsible for developing or contributing to annual budget and monitoring expenses within prescribed parameters.
- Assigned broad areas of responsibility.
- Work is accomplished personally and/or through subordinates and is evaluated only for its overall effectiveness and responsiveness to organizational requirements
- Reports to Chief Nurse Executive

Sample job titles: assistant director, associate director, assistant vice president
assistant chief nursing officer, associate chief nursing officer

e. **Nurse V.** Practice of an executive nature, comprised of complex leadership and administrative components associated with health care issues and activities that require critical thinking and influence the organizational mission, health care and policy.

Education/Experience: Master's degree in nursing or a related field and approximately 5–6 years of progressively responsible professional nursing practice; or a doctoral degree in nursing or a related field and 4–5 years of professional experience.

Performance:

- Performs executive nurse functions in a complex facility
- Responsible for integrating multiple programs or multiple sites across a continuum of care
- Serves as corporate representative on management committees/boards
- Develops and monitors fiscal aspects of service
- Assures that policies and procedures comply with patient safety and quality; meet requirements of accrediting/licensing bodies
- Substantial involvement in state, regional, and/or national professional and health-related issues

Sample job titles: chief nurse executive, director, chief nursing officer, chief operating officer, associate chief or associate director of complex facility

2. SPECIALTY DESCRIPTIONS

a. Administrative (Assistant/Associate Chief Nurse)

Nurse III. Executes position responsibilities that demonstrate leadership, experience and creative approaches to assist the nurse executive in management of complete range of nursing programs at a small health care facility.

Education/Experience: Master's degree in nursing or a related field and approximately 2–3 years of nursing experience; or a doctoral degree in nursing or a related field and 2–3 years of nursing experience.

Performance:

- May be responsible for a specific unit or designated special program areas in a large health care facility
- 24-hour responsibility for supervision and coordination of patient care services
- Ensures that patient care is administered by all professional and non-professional personnel in area of responsibility according to organization and regulatory policies and guidelines
- Typically have staffing and budget control for area of responsibility
- Work with full technical independence, frequently serving as resource for less experienced personnel
- Reports to chief nurse executive

Sample job titles: assistant director, associate director, assistant vice president, associate vice president

b. Nurse Practitioner

Nurse I, Level 3. Entry-level nurse practitioner developing knowledge and competencies necessary to engage in management of health care. Prescriptive authority is preferred. May be assigned roles as a mid-level practitioner and is responsible for assessing diagnosing, prescribing and managing aspects of care for a particular population of patients.

Education/Experience: At all levels, a master's degree as nurse practitioner and national certification by the American Nursing Association as a nurse practitioner is required. Nurse practitioners work with increasing autonomy as competencies develop. Collaboration or supervision by physician varies with

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needed level of clinical expertise. Individual has no experience as a nurse practitioner post-academic preparation or may be a new graduate nurse practitioner with several years of prior RN experience.

Performance: Clinical and professional practice reflects the ability to:

- Care for a group or population of patients or a caseload as a team member
- Demonstrate a high degree of knowledge, skill and competence
- Demonstrate progressive competencies to assess patient problems, develop differential diagnoses, define, implement and evaluate the treatment plans

Sample job titles: nurse practitioner, nurse practitioner I

Nurse II. May be assigned roles as a mid-level practitioner and is responsible for assessing diagnosing, prescribing and managing aspects of care for a particular population of patients.

Education/Experience: At all levels, a master's degree as nurse practitioner and national certification by the American Nursing Association as a nurse practitioner is required. Nurse practitioners work with increasing autonomy as competencies develop. Collaboration or supervision by physician varies with needed level of clinical expertise. The individual has 1-2 years of post-academic relevant clinical experience or may be a new graduate nurse practitioner with several years of prior RN experience.

Performance: Clinical and professional practice reflects the ability to:

- Care for a group or population of patients or a caseload as a team member
- Demonstrate a high degree of knowledge, skill and competence
- Demonstrate progressive competencies to assess patient problems, develop differential diagnoses, define, implement and evaluate treatment plans

Sample job titles: nurse practitioner, nurse practitioner II

Nurse III. Clinicians work with independence and serve as a resource for other personnel. Demonstrate progressive independence in seeking consultation as needed. The nurse practitioner may be assigned as an expert mid-level practitioner and demonstrate leadership and creative approaches to the management of complex patient care, improving outcomes at the program or service level.

Education/Experience: At all levels, a master's degree as nurse practitioner and national certification by the American Nursing Association as a nurse practitioner is required. Nurse practitioners work with increasing autonomy as competencies develop. Collaboration or supervision by physician varies with needed level of clinical expertise. Individual has 3-5 years of post-academic relevant clinical experience.

Performance: Clinical and professional practice reflects the ability to:

- Apply in-depth knowledge, competencies and skills as a nurse practitioner providing comprehensive care in managing illness and primary care
- Demonstrate competency in direct and indirect patient care, teaching, staff education, consultation and collaboration with multidisciplinary teams in the facility and community
- Participate in system and facility-wide activities, i.e., committees, research projects, serving as mentor to colleague

Sample job titles: nurse practitioner, nurse practitioner III

c. Clinical Nurse Specialist

Nurse I, Level 3. Licensed registered nurse possessing graduate preparation in nursing. This person may function in role of educator, clinical consultant, or mid-level provider. Those functioning as mid-level providers may receive credentialing or privileges to prescribe medications or controlled substances.

Education/Experience: An entry-level clinical nurse specialist has a master's degree from an NLN-accredited nursing program with a major in a clinical specialty. Certification in the specialty is preferred. **NOTE:** Since a master's degree is required for a clinical nurse specialist, a new graduate would qualify for VA appointment at Nurse I, Level 3 if the nurse has no prior RN nursing experience or has 1-2 years of prior RN experience before receiving a master's degree as a clinical nurse specialist. Employees at this level work with increasing autonomy as they demonstrate acquisition of the required competencies. Collaboration or supervision by a physician varies with needed level of clinical expertise.

Performance: As a mid-level provider, the clinical nurse specialist is responsible for assessing, diagnosing, prescribing and managing aspects of care for a particular population of patients. Clinical and professional practice reflects the ability to:

- Manage and deliver care for complex patient situations
- Participate in established quality improvement studies/activities
- Conduct self-assessment of own performance and identify learning needs of others
- Implement an ongoing educational plan to support own professional development
- Identify ethical issues in practice, consult resources when appropriate
- Consult with other healthcare providers to formulate a collaborative plan of care
- Evaluate research-based literature
- Assist patient in identifying and securing appropriate services

Sample job titles: clinical nurse specialist I. Nurses at this grade may be assigned roles as clinical educators, clinical consultants or mid-level providers.

Nurse II. Performance at this grade requires the individual to demonstrate leadership in delivering and improving holistic care through collaborative strategies with others. Employees at this level work with full technical independence. Collaboration or supervision by physician varies with needed level of clinical expertise.

Education/Experience: Nurse has a master's degree in an NLN-accredited nursing program with a major in a clinical specialty. Certification in the specialty is preferred. Individual has 1-2 years of post-academic relevant clinical experience or may be a new graduate clinical nurse specialist with several years of prior RN experience.

Performance: As a mid level provider, the clinical nurse specialist is responsible for assessing, diagnosing, prescribing and managing aspects of care for a particular population of patients (own caseload) or caseload as a member of a team. Clinical and professional practice reflects the ability to:

- Apply the nursing process to improve care
- Initiate/participate in quality improvement activities that result in improved outcomes
- Evaluate practice of self and others using professional standards
- Acquire knowledge and skills to maintain expertise in area of practice
- Educate colleagues and/or students and serve as a preceptor and/or mentor
- Support and enhance client self determination and serve as resource for clients and staff in addressing ethical issues

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- Use group process to identify, analyze, and resolve care problems
- Use a body of research to validate and/or change work group practice
- Identify and assess resource utilization and safety issues
- Promote cost effective use of resources (i.e. patient supplies, pharmaceuticals, lab tests, patient scheduling)
- Collaborate with other health disciplines in promoting health maintenance and disease prevention programs

Sample job titles: clinical nurse specialist II. Nurses at this grade may be assigned roles as clinical educators, clinical consultants or mid-level providers.

Nurse III. Executes position responsibilities that demonstrate leadership, experience, and creative approaches to management of complex client care, improving outcomes at program or service level. As an expert clinical nurse specialist, the nurse at this grade enhances patient care for a population group within a service line or throughout the facility. Employees at this level work with full technical independence, frequently serving as a resource for less experienced personnel.

Education/Experience: Individual has a master's degree in an NLN-accredited nursing program with a major in a clinical specialty, and has several years (2-5 or more) of post-academic relevant clinical experience. Certification in the specialty is preferred.

Performance: Nurses at this grade may be assigned roles as clinical educators, clinical consultants or mid-level providers. Clinical and professional practice reflects the ability to:

- Make sustained contributions to health care by sharing clinical/professional expertise within the facility or beyond through consultation, presentations, publication or participation in professional organizations
- Initiate or actively participate in interdisciplinary projects to improve organizational performance
- Use professional standards of care and practice to evaluate programs and/or services activities
- Collaborates with other health care providers for decision-making in interdisciplinary problem solving
- Implement an educational plan to meet changing program or service needs; maintain and update professional knowledge and skills; coach colleagues in team building
- Provide leadership in identifying and addressing ethical issues; use group processes to identify, analyze and resolve care problems
- Collaborate with others in research activities to improve care either by application of current research-based knowledge or by conducting research or studies
- Manage program resources (financial, human, material or informational) to facilitate safe, effective and efficient care, and/or maintains productivity using a variety of modalities to maximize care delivery and/or favorable patient or organizational outcomes.

Sample job titles: clinical nurse specialist II. Nurses at this grade may be assigned roles as clinical educators, clinical consultants or mid level providers.

d. Intensive Care Unit (ICU) Nurse

Nurse I, Level 1. Delivers fundamental nursing care to assigned patients in the ICU. This nurse has no experience and should be assigned with another ICU nurse preceptor staff nurse.

Education/Experience: Diploma or AD in nursing from a school approved by the State accrediting agency. No professional nursing experience.

Performance: Provides professional nursing duties for patients whose critical condition warrants nursing care in an intensive care unit.

Sample job titles: staff nurse

Nurse I, Level 2. Provides basic to complex nursing in an intensive care unit. Developing technical skills to monitor and assess patients, administer prescribed medications and use some specialized equipment.

Education/Experience: AD or diploma plus one-year experience or BSN and no experience. BSN graduate should be assigned with an ICU preceptor.

Performance: Provides professional nursing duties for patients whose critical condition warrants nursing care in an intensive care unit.

Sample job titles: staff nurse, primary care nurse, team leader

Nurse I, Level 3. Independently provides basic and complex nursing care in ICU, including patients with specialty equipment.

Education/Experience: AD or diploma and approximately 2–3 years of experience or a BSN and approximately 1-2 years of experience; or a master's degree in nursing or a related field and no experience.

Performance: Provides professional nursing duties for patients whose critical condition warrants nursing care in an intensive care unit. They will be assigned with an ICU preceptor as their primary resource person.

Sample job titles: primary care nurse, team leader, beginning charge nurse

Nurse II. Collaborates and participates in planning and facilitating care with the interdisciplinary team.

Education/Experience: BSN plus two years experience or master's with one-year experience.

Performance:

- Provides total nursing care to all levels of ICU patients
- Guides and supervises practice of other health providers

Sample job titles: charge nurse, team leader, preceptor

Nurse III. Responsible for leadership in planning care for the ICU patient.

Education/Experience: Master's degree in nursing or related field with 2-3 years of experience.

Performance:

- Performs all of the duties as described for Nurse II and is responsible for leadership in planning care, resource management (staff and equipment)
- Participates in addressing quality improvement and ethical issues as member of interdisciplinary team
- Oversees, delegates and evaluates delivery of patient care provided by lower level practitioners.

Sample job titles: charge nurse, senior charge nurse, team leader, preceptor

e. Operating Room Registered Nurse

Nurse I, Level 1. Delivers fundamental knowledge based care to assigned patients while developing technical competencies. Employees at this level work under close supervision from team leaders or other

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more experienced nurses/preceptor.

Education/Experience: Diploma or an associate degree (AD) in nursing from a school approved by the State accrediting agency. No professional nursing experience.

Performance:

- Applies basic principles of aseptic technique
- Ability to circulate and/or scrub less complex surgical cases
- Participates in more complex surgical cases in support of more experienced nurses

Sample job titles: scrub nurse I, staff nurse

Nurse I, Level 2. Delivers more comprehensive care to assigned patients while refining technical competencies. Employees at this level work with increasing autonomy as they demonstrate acquisition of the required competencies.

Education/Experience: AD or diploma plus one-year experience or BSN and no experience.

Performance:

- Applies basic principles of aseptic technique
- Ability to circulate and/or scrub for less complex surgical cases
- Participate in more complex surgical cases in support of more experienced nurses/nurse preceptor
- Participates as on-call or circulating nurse with more senior staff

Sample job titles: scrub nurse I, staff nurse

Nurse I, Level 3. Demonstrates proficiency in practice based on conscious deliberate planning. Self-directed in goal setting for managing complex situations. Employees at this level work in the operating room with considerable independence, consulting with supervisors or team leaders only when unusual circumstances are encountered.

Education/Experience: AD or diploma and approximately 2–3 years of experience or a BSN and approximately 1-2 years of experience; or a master's degree in nursing or a related field and no experience.

Performance:

- Applies principles of aseptic technique
- Independently circulates all surgical specialty cases
- Independently scrubs less complex surgical cases for most specialties
- Assumes on-call charge responsibilities
- Participates in performance improvement data collection

Sample job titles: scrub nurse I, staff nurse

Nurse II. Demonstrates leadership in delivering and improving care through collaboration with others. Employees at this level work with full technical independence.

Education/Experience: BSN plus two years experience or master's with one-year experience.

Performance:

- Applies principles of aseptic technique
- Independently circulates all surgical specialty cases
- Independently scrubs complex surgical cases for most specialties
- Assumes on-call charge responsibilities
- Assumes an active role in performance improvement practices and data interpretation

- Assumes team leader role
- Assumes surgical specialty service leader role, becoming an expert and resource for other personnel
- Functions as a preceptor and mentor to less experienced staff

Sample job titles: staff nurse II, team leader

Nurse III. Executes position responsibility that demonstrates leadership experience and creative approaches to management of complex patient care. Employees at this level work with full technical independence, frequently serving as resources for less experienced personnel.

Education/Experience: Master's degree in nursing or related field with 2-3 years of experience.

Performance:

- Formulates schedules and assures appropriate personnel are present during surgical procedures
- Oversees, delegates, and evaluates delivery of patient care provided by lower level practitioners
- Utilizes critical thinking skills to adapt established nursing procedures appropriately
- Plans, directs, coordinates, and evaluates continuing education programs
- Serves on interdisciplinary teams, define policies, and develop procedures for providing care to patients. (Including identified ethical issues)
- Independently circulates and/or scrubs on all cases
- Responsible for resource utilization

Sample job titles: staff nurse III, assistant director-operating services, director-operating room, nurse manager

3. NURSE ANESTHETIST

a. Nurse I

Level 1. Entry-level nurse anesthetist developing knowledge and competencies necessary to meet performance requirements.

Education/Experience: The individual must be a graduate of a school of professional nursing approved by the appropriate State accrediting agency and a graduate of a school of nurse anesthesia approved by the Council on Accreditation of the American Association of Nurse Anesthetists (AANA). No prior experience as a nurse anesthetist is required at this level.

Performance: The employee provides assistance to more experienced nurse anesthetists and anesthesiologists in a wide variety of tasks while developing required competencies. Employees at this level work under close supervision of anesthesiologists and/or more experienced nurse anesthetists.

Sample job titles: nurse anesthetist, nurse anesthetist I

Level 2. Participates in difficult or complex procedures requiring a team approach, such as extracorporeal bypass, hypothermic techniques, trauma, and resuscitation. Employees at this level work with increasing autonomy as they demonstrate development of required competencies.

Education/Experience: Approximately 2 years of post-academic nurse anesthesia experience.

Performance:

- Assessment of pre-anesthetic patient status
- Development of an anesthesia care plan

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- Assembly of necessary supplies and equipment
- Administration of intravenous, regional, general or other anesthetic appropriate for surgical, diagnostic or therapeutic intervention
- Monitoring of patient responses, vital signs and other parameters during the procedure and immediately postoperatively. Initiation of remedial action as indicated
- Maintenance of a complete, legible, and accurate anesthetic record
- Provision of postoperative report on the patient's status

Sample job titles: nurse anesthetist, senior nurse anesthetist

b. **Nurse II.** Employees at this level work with autonomy as they demonstrate attainment of required competence. May include accomplishments in such areas as teaching, demonstration of patient care which is abreast of current concepts and advancements in the profession, direction of professional and nonprofessional personnel in providing patient treatment, and the administration of an effective nurse anesthetist education program.

Education/Experience: Approximately 4 years of post-academic nurse anesthesia experience.

Performance:

- **Performance and documentation of clinical evaluation of the patient**
- Development and implementation of an anesthetic care plan
- Initiation of the anesthetic technique, e.g., general, regional, local or sedation
- Selection, application, and insertion of appropriate monitoring modalities for continuous evaluation of the patient's status
- Selection, procurement, and administration of the anesthetic, adjuvants and accessory drugs, and fluids necessary to manage the anesthetic
- Management of the patient's airway and pulmonary status
- Facilitation of emergence and recovery from anesthesia by selecting, obtaining, ordering and administering medications, fluids and ventilatory support
- Discharge of the patient from the post-anesthesia care area and provision of post-anesthesia support
- Implementation of acute and chronic pain management modalities
- Response to emergency situations by providing airway management, administration of emergency fluids and drugs, and using basic or advanced cardiac life support techniques

Sample job titles: nurse anesthetist, senior nurse anesthetist II

c. **Nurse III.** Employees at this grade level are restricted to the following assignments.

(1) **Independent Nurse Anesthetist.** The individual functions in an environment where typically there is no full time staff anesthesiologist. Employees at this level work with autonomy and independence.

Education/Experience: Approximately 6 years of experience, including 1 year of successful practice as an independent nurse anesthetist.

Performance:

- Evaluation and documentation of the patient's physical and mental condition
- Formulation and implementation of an anesthesia care plan including anesthetic agents, adjuvant drugs, and method of administration, in conjunction with the surgeon, dentist or podiatrist

- Delivery of anesthesia care per the Scope and Standards for Nurse Anesthesia Practice of The American Association of Nurse Anesthetists
- Development of protocols for anesthesia care to be approved by the appropriate authority
- Provision of advice and assistance to other nurse anesthetists in difficult or complex procedures
- Acquisition of knowledge and familiarity with newer pharmacologic agents, anesthesia equipment, monitoring modalities, and anesthetic techniques through appropriate continuing education and the professional literature

Sample job titles: nurse anesthetist, independent nurse anesthetist

(2) **Senior Nurse Anesthetist.** The individual provides anesthesia care to patients undergoing the most complex procedures. Typically this includes unusually extensive and complex procedures which are of prolonged duration and involve high-risk patients. Employees at this level work with full technical independence, frequently serving as a resource person for less experienced personnel.

Education/Experience: Approximately 6 years of experience, including 1 year of successful practice as a senior nurse anesthetist.

Performance:

- Performance and documentation of pre-anesthetic evaluation
- Development and implementation of an anesthetic care plan
- Request for consultation and diagnostic studies as appropriate
- Development of individual patient post-anesthesia care plan
- Participation in anesthesia audits
- Recommendation of changes based on audits
- Assistance in the teaching program for anesthesia care
- Participation as an instructor in the facility's in-service education
- Assist in or conduct approved research projects relative to anesthesia care

Sample job titles: nurse anesthetist, senior nurse anesthetist III]

d. **Nurse IV.** This grade is restricted in the Department of Veterans Affairs (VA) to nurse anesthetists who have had a minimum of 6 years of professional experience and who are in one of the following assignments:

(1) **Chief, Nurse Anesthetist Section (or Unit).** As a first level supervisor, assumes full supervisory responsibility over a minimum of three experienced nurse anesthetists. Typically, duties include assignment of duties and responsibilities; evaluating performance and identifying continuing education and training needs; making recommendations for personnel actions; assisting in correlating a teaching program for providing anesthesia care; delivering anesthesia in complex cases and to poor risk patients; participating in the audit of anesthesia care, recommending changes where indicated.

(2) **Director, School of Nurse Anesthesia.** As director of a school of nurse anesthesia, has responsibility for the school, including responsibility for the development of, and modification to, curricula, testing procedures, and evaluation criteria. May participate as instructor in the school. When there is a small school involved, these duties may be performed with those of a chief, nurse anesthetist section (or unit). In the case of a large school (15 or more students), the preponderance of work will involve duties connected with administration of the school.

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e. **Nurse V.** Candidates have responsibilities which significantly exceed the complexity of those described for Nurse IV. This assignment is restricted to those with a minimum of 6 years of professional experience and who manage a program with 15 or more subordinate nurse anesthetists.

4. HEALTH CARE FACILITY COMPLEXITY. In determining whether a non-VA health care facility is a small, medium, or large facility for purposes of job matching, the following factors need to be considered: bed size, volume of inpatient and outpatient workload, numbers of specialty programs, extent of education affiliation, and extent of research activities. An overview of these factors and their relationship to facility size and/or complexity level can be found in the Office of Personnel Management (OPM) position classification standard for the Health System Administration Series, GS-670.

5. DETERMINATION OF COMPARABLE POSITION. In making determinations about corresponding positions in non-Department health care facilities, surveyors should consider the overall comparability of positions being evaluated. This includes consideration of the complexity of the facility, the scope and responsibility of a particular position, and the clinical knowledges and skills required to perform required duties. Job matches cannot be made on the basis of similarities in job titles. A possible match of corresponding positions should not be discounted solely on the basis of a disparity in the educational requirements.

[APPENDIX E. DETERMINING JOB MATCHES]

1. JOB MATCHING. Job matching is the process of identifying positions in a salary survey that correspond to VA positions.

a. In making determinations about corresponding positions in non-VA health care facilities, the overall comparability of positions being evaluated must be considered. This includes consideration of the complexity of the facility, the scope and responsibility of a particular position, and the clinical knowledges and skills necessary to perform required duties. Job matches cannot be made on the basis of similarities in job titles. A possible match of corresponding positions should not be discounted solely on the basis of a disparity in the educational requirements.

b. In determining whether a non-VA health care facility is a small, medium, or large facility for purposes of job matching, the following factors need to be considered: bed size, volume of inpatient and outpatient workload, numbers of specialty programs, extent of education affiliation, and extent of research activities. An overview of these factors and their relationship to facility size and/or complexity level can be found in the Office of Personnel Management (OPM) position classification standard for the [Health System Administration Series, GS-670](#).

2. JOB MATCH DETERMINATIONS FOR BLS NATIONAL COMPENSATION SURVEYS.

VA grades and levels will be matched to BLS National Compensation Surveys as follows:

VA GRADE/LEVEL	BLS LEVEL
Nurse I, Level 1	Level 4
Nurse I, Level 2	Levels 5 - 7
Nurse I, Level 3	Levels 8 - 9
Nurse II	Levels 10 - 11
Nurse III	Level 12
Nurse IV	Level 13
Nurse V	Levels 14 - 15

3. JOB MATCH DETERMINATIONS FOR THIRD PARTY SURVEYS

a. Available job descriptions will be reviewed against the VA survey job statements in Appendix X-D of this Handbook and the VA Nurse Qualification Standards in Appendix II-G6 or II-G7 of VA Handbook 5005. The job matching process should answer the question “What kind of position will a VA nurse at a given grade or level qualify for in a non-VA nursing setting, given the job descriptions available?” Identical matches are nearly impossible. The idea is to match similar positions on the basis of duties, responsibilities, skills, experience, and educational requirements. As a general rule, if the duties and responsibilities of two positions overlap by 75 to 80 percent, the match is considered appropriate. It is also possible that a surveyed position may match more than one VA grade or level. General job descriptions that do not differentiate between varying levels of education or experience will be matched to the lowest appropriate VA grade or level.

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b. To the extent possible, matches will be made by rating the positions based on individual factors rather than on the basis of “whole job” comparisons. These factors include education requirements, experience requirements, autonomy, and scope/responsibility. An average will then be calculated for the various factor ratings. This structured approach, with its numerical ratings, is simply a tool for organizing the data collectors’ thoughts. It is not to be followed at the expense of expert judgment. There may be instances where the “whole job” rating will differ from the average of the factors. This may occur because the data collectors decide that the whole is more, or less, than its parts. This is a perfectly valid decision.

c. The following steps should be taken:

(1) Make an initial pairing of each job description with the VA position to which it appears most likely to match.

(2) Rate each job description and, if available, its component factors, against the VA position using the following scale.

- 0 points There is insufficient information available to make a determination.
- 1 point The requirement for the survey position is less than required for the VA grade.
- 2 points The requirement for the survey position exactly matches the requirement for the VA grade.
- 3 points The requirement for the survey position exceeds that required for the VA grade.

(3) Total the points in each column.

(4) Determine the Average Factor Rating by dividing the total points by the number of factors evaluated. Factors that were given “0” points due to insufficient information will not be calculated into the average as an evaluated factor.

(5) Positions with an average score in the range of 1.5 to 2.5 will normally be considered a job match.

4. JOB MATCH DETERMINATIONS FOR VA-CONDUCTED SURVEYS. Job descriptions collected from survey establishments and/or job statements developed in accordance with paragraph 7a(2)(d) of chapter 2, this part, as a result of data collection interviews with survey establishments will be used to evaluate job matches consistent with the procedures in paragraph 3 above.

EXAMPLE 1

Example of a job match:

Position title:		REGISTERED NURSE		
VA Grade/Level being matched:		Nurse I, Level 1		
Factor	Slightly Less Than VA	Matches VA	Slightly Exceeds VA	Insufficient Information
1. Education Required				0
2. Experience Required		2		
3. Autonomy		2		
4. Scope and Responsibility			3	
5. Organizational Location (for Managerial and Supervisory Positions)				0
Total Points	0	4	3	0
Average Factor Rating (1 – 5)	2.3			
Whole Job				
Comments: The job description does not indicate a minimum education requirement. No experience is required. Nurses at this level work under close supervision. They are sometimes required to provide care to patients with complex needs.				

NOTE: *In the above example, a “whole job” rating was not made since there was sufficient information in the job description to rate the individual factors.*

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EXAMPLE 2

Example of a job that does not match:

Position title:		Nurse Clinician		
VA Grade/Level being matched:		Nurse III		
Factor	Slightly Less Than VA	Matches VA	Slightly Exceeds VA	Insufficient Information
1. Education Required	1			
2. Experience Required	1			
3. Autonomy	1			
4. Scope and Responsibility	1			
5. Organizational Location (for Managerial and Supervisory Positions)	1			
Total Points	5			
Average Factor Rating (1 – 5)	1.0			
Whole Job				
Comments: Position has no minimum education requirement and requires only 2 years of nursing experience. Employees work in team setting under close supervision. They mainly handle patients with complex needs. Serve no leadership role.				

NOTE: The “organizational location” for managerial or supervisory positions refers to the position’s place in the organization. For example, is it a first or second line supervisory position?, how many employees are supervised?, what occupations are supervised?, to whom does the incumbent report?, etc.]

APPENDIX [F.]
SAMPLE VA NURSE LOCALITY PAY SCHEDULE

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	PSI
	Level 1		Level 2			Level 3							
Nurse I	\$24,522	\$25,257	\$25,992	\$26,727	\$27,462	\$28,197	\$28,932	\$29,667	\$30,402	\$31,137	\$31,872	\$32,607	\$735
Nurse II	29,455	30,338	31,221	32,104	32,987	33,870	34,753	35,636	36,519	37,402	38,285	39,168	883
Nurse III	40,298	41,506	42,714	43,922	45,130	46,338	47,546	48,754	49,962	51,170	52,378	53,586	1,208
Nurse IV	45,130	46,483	47,836	49,189	50,542	51,895	53,248	54,601	55,954	57,307	58,660	60,013	1,353
Nurse V	56,627	58,325	60,023	61,721	63,419	65,117	66,815	68,513	70,211	71,909	73,607	75,305	1,698

